



# Quarterly Banking Profile

Fourth Quarter 2008

## INSURED INSTITUTION PERFORMANCE

- ***Industry Posts \$26.2 Billion Quarterly Loss***
- ***Loan-Loss Expenses, Trading Losses, Goodwill Writedowns Outstrip Revenues***
- ***Asset Quality Indicators Show Further Deterioration***
- ***Domestic Deposits Register Strong Growth***
- ***Full-Year Net Income of \$16.1 Billion Is Lowest Since 1990***

### **Industry Reports First Quarterly Loss Since 1990**

Expenses associated with rising loan losses and declining asset values overwhelmed revenues in the fourth quarter of 2008, producing a net loss of \$26.2 billion at insured commercial banks and savings institutions. This is the first time since the fourth quarter of 1990 that the industry has posted an aggregate net loss for a quarter. The -0.77 percent quarterly return on assets (ROA) is the worst since the -1.10 percent in the second quarter of 1987. A year ago, the industry reported \$575 million in profits and an ROA of 0.02 percent. High expenses for loan-loss provisions, sizable losses in trading accounts, and large writedowns of goodwill and other assets all contributed to the industry's net loss. A few very large losses were reported during the quarter—four institutions accounted for half of the total industry loss—but earnings problems were widespread. Almost one out of every three institutions (32 percent) reported a net loss in the fourth quarter. Only 36 percent of institutions reported year-over-year increases in quarterly earnings, and only 34 percent reported higher quarterly ROAs.

### **Provisions for Loan Losses Are More than Double Year-Earlier Total**

Insured banks and thrifts set aside \$69.3 billion in provisions for loan and lease losses during the fourth quarter, more than twice the \$32.1 billion that they set aside in the fourth quarter of 2007. Loss provisions represented 50.2 percent of the industry's net operating revenue (net interest income plus total noninterest income), the highest proportion since the second quarter of 1987 when provisions absorbed 53.2 percent of net operating revenue. As in the fourth quarter of 2007, a few institutions reported unusually large trading losses, while others took substantial charges for impairment of goodwill. Trading activities produced a \$9.2 billion net loss in the quarter, compared to a loss of \$11.2 billion a year earlier. These are the only two quarters in the past 25 years in which trading revenues have been negative. Goodwill impairment charges and other intangible asset expenses rose to \$15.8 billion, from \$11.5 billion in the fourth quarter of 2007. Other negative earnings factors included a \$6.0-billion (12.8-percent) year-over-year decline in noninterest income, and \$8.1 billion in realized losses on securities and other assets in the quarter, more than twice the \$3.7 billion in losses realized a year earlier. The reduction in noninterest income was driven by declines in servicing income (down \$3.1 billion from a year earlier) and securitization income (down \$2.6 billion, or 52.3 percent).

### **Average Net Interest Margin at Community Banks Falls to 20-Year Low**

Net interest income totaled \$97.0 billion in the fourth quarter, an increase of \$4.5 billion (4.9 percent) from the fourth quarter of 2007. The average net interest margin (NIM) was 3.34 percent in the quarter, up slightly from 3.32 percent a year earlier but lower than the 3.37 percent average in the third quarter. The year-over-year margin improvement was confined mostly to larger institutions. More than half of all institutions (56 percent) reported lower NIMs. At institutions with less than \$1 billion in assets, the average margin was 3.66 percent, compared to 3.85 percent a year earlier and 3.78 percent in the third quarter. This is the lowest quarterly NIM for this size group of institutions since the second quarter of 1988. At larger institutions, the average NIM improved from 3.24 percent a year earlier to 3.30 percent, slightly below the 3.32 percent average of the third quarter. When short-term interest rates are low and declining, it is more difficult for banks to reduce the rates they pay for deposits without causing deposit outflows. The cost of short-term nondeposit liabilities, in contrast, tends to follow movements in short-term interest rates more closely. Community banks fund more than two-thirds of their

assets with domestic interest-bearing deposits, whereas larger institutions fund less than half of their assets with these deposits. As rates fell in the fourth quarter, average funding costs declined at larger institutions but remained unchanged at community banks.

## Full-Year Earnings Fall to Lowest Level in 18 Years

Net income for all of 2008 was \$16.1 billion, a decline of \$83.9 billion (83.9 percent) from the \$100 billion the industry earned in 2007. This is the lowest annual earnings total since 1990, when the industry earned \$11.3 billion. The ROA for the year was 0.12 percent, the lowest since 1987, when the industry reported a net loss. Almost one in four institutions (23.4 percent) was unprofitable in 2008, and almost two out of every three institutions (62.5 percent) reported lower full-year earnings than in 2007. Loss provisions totaled \$174.3 billion in 2008, an increase of \$105.1 billion (151.9 percent) compared to 2007. Total noninterest income was \$25.5 billion (10.9 percent) lower as a result of the industry's first-ever full-year trading loss (\$1.8 billion), a \$5.8-billion (27.4-percent) decline in securitization income, and a \$6.8-billion negative swing in proceeds from sales of loans, foreclosed properties, and other assets. As low as the full-year earnings total was, it could easily have been worse. If the effect of failures and purchase accounting for mergers that occurred during the year is excluded from reported results, the industry would have posted a net loss in 2008.<sup>1</sup> The magnitude of many year-over-year income and expense comparisons is muted by the impact of these structural changes and their accounting treatments.

## Quarterly Net Charge-Off Rate Matches Previous High

Net loan and lease charge-offs totaled \$37.9 billion in the fourth quarter, an increase of \$21.6 billion (132.2 percent) from the fourth quarter of 2007. The annualized quarterly net charge-off rate was 1.91 percent, equaling the highest level in the 25 years that institutions have reported quarterly net charge-offs (the only other time the charge-off rate reached this level was in the fourth quarter of 1989). The year-over-year increase in quarterly net charge-offs was led by real estate construction and development loans (up \$6.1 billion, or 448.1 percent), closed-end 1–4 family residential mortgage loans (up \$4.6 billion, or 206.1 percent), commercial and industrial (C&I) loans (up \$3.0 billion, or 97.3 percent), and credit cards (up \$2.5 billion, or 60.1 percent). Charge-offs in all major loan categories increased from a year ago. Real estate loans accounted for almost two-thirds of the total increase in charge-offs (64.7 percent).

## Noncurrent Loans Register Sizable Increase in the Fourth Quarter

The amount of loans and leases that were noncurrent rose sharply in the fourth quarter, increasing by \$44.1 billion (23.7 percent). Noncurrent loans totaled \$230.7 billion at year-end, up from \$186.6 billion at the end of the third quarter. More than two-thirds of the increase during the quarter (69.3 percent) came from loans secured by real estate. Noncurrent closed-end 1–4 family residential mortgages increased by \$18.5 billion (24.1 percent) during the quarter, while noncurrent C&I loans rose by \$7.6 billion (43.0 percent). Noncurrent home equity loans increased by \$3.0 billion (39.0 percent), and noncurrent loans secured by nonfarm nonresidential real estate increased by \$2.9 billion (20.2 percent). In the 12 months ended December 31, total noncurrent loans at insured institutions increased by \$118.8 billion (107.2 percent). At the end of the year, the percentage of loans and leases that were noncurrent stood at 2.93 percent, the highest level since the end of 1992. Real estate construction loans had the highest noncurrent rate of any major loan category at year-end, at 8.51 percent, up from 7.30 percent at the end of the third quarter.

## Reserve Coverage Ratio Slips to 16-Year Low

Total reserves increased by \$16.5 billion (10.5 percent) in the fourth quarter. Insured institutions added \$31.5 billion more in loss provisions to reserves than they took out in charge-offs, but the impact of purchase accounting from a few large mergers in the quarter limited the overall growth in industry reserves.<sup>2</sup> The growth in reserves, coupled with a decline in industry loan balances, caused the industry's ratio of reserves to total loans to increase during the quarter from 1.96 percent to 2.20 percent, a 14-year high. However, the increase in reserves did not keep pace with the sharp rise in noncurrent loans, and the industry's ratio of reserves to

---

<sup>1</sup> Under purchase accounting rules that apply to bank mergers, income and expenses that have been booked by an acquired institution are reset to zero as of the date when a change in ownership occurs. Income and expenses that have been accrued prior to that date are reflected in adjustments to the assets, equity capital, and reserves of the acquired institution and are not reflected in subsequent reporting of year-to-date income and expense.

<sup>2</sup> See footnote 1.

noncurrent loans fell from 83.9 percent to 75.0 percent. This is the lowest level for the “coverage ratio” since the third quarter of 1992.

## **Goodwill Writedowns Produce Drop in Equity Capital**

Total equity capital declined for a third consecutive quarter, falling by \$3.7 billion (0.3 percent) in the fourth quarter. A \$39.4-billion (11.0-percent) decline in goodwill and a \$16.1-billion reduction in other comprehensive income were the main reasons for the decline. In contrast, regulatory capital, which does not include goodwill and is not affected by unrealized losses on securities (which are included in other comprehensive income), increased during the quarter. Tier 1 leverage capital increased by \$22.2 billion (2.3 percent), to \$1 trillion at year-end. Total regulatory capital increased by \$27.8 billion (2.2 percent) during the quarter, to \$1.28 trillion. For the full year, equity capital fell by \$44.8 billion. Other comprehensive income, which includes unrealized gains and losses on securities held for sale, declined by \$60.6 billion, and goodwill fell by \$35 billion. Even though the industry’s dividends fell by more than half in 2008 compared to 2007, the \$50.9 billion paid out in 2008 exceeded the year’s net income by almost \$35 billion. Of the 5,621 insured institutions that paid dividends in 2007, more than half (54 percent) reduced their dividends in 2008, including 505 institutions (9 percent) that eliminated their dividends. At the end of 2008, 97.6 percent of all insured institutions, representing 98.7 percent of industry assets, met or exceeded the highest regulatory capital standards.

## **Balances at Federal Reserve Banks Increased by \$342 Billion in the Quarter**

Total assets of insured institutions increased by \$250.7 billion (1.8 percent) in the fourth quarter. The growth was driven by a \$341.7-billion (194.3-percent) increase in balances with Federal Reserve banks. While 1,069 banks reported increases in reserve balances during the quarter, five banks accounted for more than half of the entire industry increase. Net loans and leases fell by \$130.6 billion (1.7 percent), as several large institutions restructured their loan portfolios. Three large banks accounted for all of the decline in the industry’s loans during the fourth quarter; most institutions grew their loan balances in the quarter. Almost two-thirds of all institutions (64.2 percent) reported increases in their loans and leases, while only about half as many institutions (2,894 institutions, or 34.8 percent of all reporters) had declines in their loan portfolios.

## **Deposit Share of Asset Funding Rises**

Total deposits increased by \$307.9 billion (3.5 percent) in the fourth quarter, the largest percentage increase in a quarter in ten years. Deposits in domestic offices grew by \$274.1 billion (3.8 percent), with interest-bearing domestic deposits rising by \$242.9 billion (4.2 percent). Brokered deposits increased by \$101.4 billion (15.3 percent). Deposits in foreign offices increased by \$33.8 billion (2.2 percent) during the quarter. Deposit growth outpaced growth in total assets, and at the end of 2008, deposits funded 65.2 percent of industry assets, the highest proportion since mid-year 2007. Nondeposit liabilities fell by \$24.0 billion (0.7 percent), as Federal Home Loan Bank (FHLB) advances declined by \$124.0 billion (13.6 percent), and Federal funds purchased declined by \$54.6 billion (5.8 percent).

## **Trust Activities Receded in 2008**

In a difficult year for financial markets, it was not surprising that trust activities at insured institutions diminished. Total managed fiduciary assets declined in 2008 by \$1.1 trillion (25.1 percent), while non-managed assets fell by \$3.5 trillion (20.1 percent), and assets in custodial and safekeeping accounts fell by \$12.1 trillion (20.8 percent). Net fiduciary income was \$1.1 billion (8.2 percent) less in 2008 than in 2007.

## **Failures and Assistance Transactions Rose to 15-Year High in 2008**

The number of FDIC-insured commercial banks and savings institutions reporting financial results fell to 8,305 at the end of 2008, down from 8,384 at the end of the third quarter. The net decline of 79 institutions was the largest since the first quarter of 2002. Fifteen new institutions were chartered in the fourth quarter, the smallest number in any quarter since the third quarter of 1994. Seventy-eight insured institutions were absorbed into other institutions through mergers, and 12 institutions failed during the quarter (five other institutions received FDIC assistance in the quarter). For all of 2008, there were 98 new charters, 292 mergers, 25 failures and 5 assistance transactions. This is the largest number of failed and assisted institutions in a year since 1993, when there were 50. At year-end, 252 insured institutions with combined assets of \$159 billion were on the FDIC’s “Problem List.” These totals are up from 171 institutions with \$116 billion in assets at the end of the third quarter, and 76 institutions with \$22 billion in assets at the end of 2007.

# Quarterly Banking Profile

**TABLE I-A. Selected Indicators, All FDIC-Insured Institutions\***

|  | 2008   | 2007   | 2006  | 2005  | 2004  | 2003  | 2002  |
|--|--------|--------|-------|-------|-------|-------|-------|
| Return on assets (%) .....                         | 0.12   | 0.81   | 1.28  | 1.28  | 1.28  | 1.38  | 1.30  |
| Return on equity (%) .....                         | 1.24   | 7.75   | 12.30 | 12.43 | 13.20 | 15.05 | 14.08 |
| Core capital (leverage) ratio (%) .....            | 7.49   | 7.97   | 8.22  | 8.25  | 8.11  | 7.88  | 7.86  |
| Noncurrent assets plus                             |        |        |       |       |       |       |       |
| other real estate owned to assets (%) .....        | 1.88   | 0.94   | 0.54  | 0.50  | 0.53  | 0.75  | 0.90  |
| Net charge-offs to loans (%) .....                 | 1.28   | 0.59   | 0.39  | 0.49  | 0.56  | 0.78  | 0.97  |
| Asset growth rate (%) .....                        | 6.28   | 9.89   | 9.04  | 7.63  | 11.37 | 7.58  | 7.20  |
| Net interest margin (%) .....                      | 3.18   | 3.29   | 3.31  | 3.47  | 3.52  | 3.73  | 3.96  |
| Net operating income growth (%) .....              | -79.98 | -27.58 | 8.52  | 11.43 | 3.99  | 16.38 | 17.58 |
| Number of institutions reporting .....             | 8,305  | 8,534  | 8,680 | 8,833 | 8,976 | 9,181 | 9,354 |
| Commercial banks .....                             | 7,085  | 7,283  | 7,401 | 7,526 | 7,631 | 7,770 | 7,888 |
| Savings institutions .....                         | 1,220  | 1,251  | 1,279 | 1,307 | 1,345 | 1,411 | 1,466 |
| Percentage of unprofitable institutions (%) .....  | 23.36  | 12.07  | 7.94  | 6.22  | 5.97  | 5.99  | 6.67  |
| Number of problem institutions .....               | 252    | 76     | 50    | 52    | 80    | 116   | 136   |
| Assets of problem institutions (in billions) ..... | \$159  | \$22   | \$8   | \$7   | \$28  | \$30  | \$39  |
| Number of failed institutions .....                | 25     | 3      | 0     | 0     | 4     | 3     | 11    |
| Number of assisted institutions .....              | 5      | 0      | 0     | 0     | 0     | 0     | 0     |

\* Excludes insured branches of foreign banks (IBAs)

**TABLE II-A. Aggregate Condition and Income Data, All FDIC-Insured Institutions**

| (dollar figures in millions)                         | 4th Quarter<br>2008 | 3rd Quarter<br>2008 | 4th Quarter<br>2007 | %Change<br>07Q4-08Q4 |         |        |
|--|---------------------|---------------------|---------------------|----------------------|---------|--------|
| Number of institutions reporting .....               | 8,305               | 8,384               | 8,534               | -2.7                 |         |        |
| Total employees (full-time equivalent) .....         | 2,152,962           | 2,170,931           | 2,215,029           | -2.8                 |         |        |
| <b>CONDITION DATA</b>                                |                     |                     |                     |                      |         |        |
| Total assets .....                                   | \$13,853,231        | \$13,573,065        | \$13,034,074        | 6.3                  |         |        |
| Loans secured by real estate .....                   | 4,704,829           | 4,749,500           | 4,781,832           | -1.6                 |         |        |
| 1-4 Family residential mortgages .....               | 2,045,168           | 2,102,109           | 2,241,455           | -8.8                 |         |        |
| Nonfarm nonresidential .....                         | 1,066,464           | 1,043,174           | 968,765             | 10.1                 |         |        |
| Construction and development .....                   | 592,244             | 615,891             | 629,452             | -5.9                 |         |        |
| Home equity lines .....                              | 667,495             | 652,127             | 611,389             | 9.2                  |         |        |
| Commercial & industrial loans .....                  | 1,496,270           | 1,503,734           | 1,439,122           | 4.0                  |         |        |
| Loans to individuals .....                           | 1,088,717           | 1,082,719           | 1,058,462           | 2.9                  |         |        |
| Credit cards .....                                   | 444,637             | 411,627             | 421,818             | 5.4                  |         |        |
| Farm loans .....                                     | 59,908              | 59,504              | 56,786              | 5.5                  |         |        |
| Other loans & leases .....                           | 531,412             | 597,344             | 572,625             | -7.2                 |         |        |
| Less: Unearned income .....                          | 5,201               | 2,790               | 2,309               | 125.2                |         |        |
| Total loans & leases .....                           | 7,875,935           | 7,990,011           | 7,906,518           | -0.4                 |         |        |
| Less: Reserve for losses .....                       | 173,010             | 156,530             | 102,552             | 68.7                 |         |        |
| Net loans and leases .....                           | 7,702,925           | 7,833,481           | 7,803,966           | -1.3                 |         |        |
| Securities .....                                     | 2,035,900           | 2,025,444           | 1,954,146           | 4.2                  |         |        |
| Other real estate owned .....                        | 26,627              | 22,960              | 12,127              | 119.6                |         |        |
| Goodwill and other intangibles .....                 | 430,123             | 484,149             | 461,744             | -6.8                 |         |        |
| All other assets .....                               | 3,657,657           | 3,207,031           | 2,802,091           | 30.5                 |         |        |
| Total liabilities and capital .....                  | 13,853,231          | 13,573,065          | 13,034,074          | 6.3                  |         |        |
| Deposits .....                                       | 9,035,669           | 8,727,757           | 8,415,375           | 7.4                  |         |        |
| Domestic office deposits .....                       | 7,496,363           | 7,222,236           | 6,912,800           | 8.4                  |         |        |
| Foreign office deposits .....                        | 1,539,307           | 1,505,522           | 1,502,575           | 2.4                  |         |        |
| Other borrowed funds .....                           | 2,574,972           | 2,732,527           | 2,516,753           | 2.3                  |         |        |
| Subordinated debt .....                              | 185,756             | 176,833             | 185,393             | 0.2                  |         |        |
| All other liabilities .....                          | 754,140             | 629,552             | 569,065             | 32.5                 |         |        |
| Equity capital .....                                 | 1,302,693           | 1,306,396           | 1,347,488           | -3.3                 |         |        |
| Loans and leases 30-89 days past due .....           | 158,243             | 121,380             | 107,999             | 46.5                 |         |        |
| Noncurrent loans and leases .....                    | 230,693             | 186,560             | 110,708             | 108.4                |         |        |
| Restructured loans and leases .....                  | 24,044              | 18,942              | 6,926               | 247.1                |         |        |
| Direct and indirect investments in real estate ..... | 949                 | 910                 | 1,097               | -13.5                |         |        |
| Mortgage-backed securities .....                     | 1,300,489           | 1,261,316           | 1,236,004           | 5.2                  |         |        |
| Earning assets .....                                 | 11,767,581          | 11,492,995          | 11,304,844          | 4.1                  |         |        |
| FHLB advances .....                                  | 787,425             | 911,469             | 808,944             | -2.7                 |         |        |
| Unused loan commitments .....                        | 7,152,965           | 7,860,482           | 8,315,951           | -14.0                |         |        |
| Trust assets .....                                   | 17,328,017          | 19,948,345          | 21,862,322          | -20.7                |         |        |
| Assets securitized and sold** .....                  | 1,910,888           | 1,906,803           | 1,698,002           | 12.5                 |         |        |
| Notional amount of derivatives** .....               | 201,095,870         | 177,103,500         | 166,118,444         | 21.1                 |         |        |
| <b>INCOME DATA</b>                                   |                     |                     |                     |                      |         |        |
| Total interest income .....                          | \$603,367           | \$724,859           | \$151,230           | \$189,631            | -20.3   |        |
| Total interest expense .....                         | 245,607             | 372,144             | 54,196              | 97,127               | -44.2   |        |
| Net interest income .....                            | 357,760             | 352,714             | 97,034              | 92,504               | 4.9     |        |
| Provision for loan and lease losses .....            | 174,265             | 69,193              | 69,344              | 32,144               | 115.7   |        |
| Total noninterest income .....                       | 207,598             | 233,098             | 40,989              | 47,000               | -12.8   |        |
| Total noninterest expense .....                      | 358,709             | 367,043             | 105,153             | 104,473              | 0.7     |        |
| Securities gains (losses) .....                      | -14,927             | -1,371              | -988.5              | -8,073               | -3,665  | -120.3 |
| Applicable income taxes .....                        | 6,750               | 46,480              | -85.5               | -13,625              | -1,112  | N/M    |
| Extraordinary gains, net .....                       | 5,367               | -1,735              | N/M                 | 4,710                | 241     | N/M    |
| Net income .....                                     | 16,073              | 99,991              | -83.9               | -26,211              | 575     | N/M    |
| Net charge-offs .....                                | 99,376              | 44,118              | 125.3               | 37,890               | 16,319  | 132.2  |
| Cash dividends .....                                 | 50,943              | 110,348             | -53.8               | 8,389                | 20,746  | -59.6  |
| Retained earnings .....                              | -34,870             | -10,356             | -236.7              | -34,600              | -20,172 | -71.5  |
| Net operating income .....                           | 20,504              | 102,409             | -80.0               | -25,921              | 2,553   | N/M    |

\*\* Call Report filers only.

N/M - Not Meaningful

# Quarterly Banking Profile

**TABLE III-A. Full Year 2008, All FDIC-Insured Institutions**

| FULL YEAR<br>(The way it is...)                                   | All Insured<br>Institutions | Asset Concentration Groups* |                        |                       |                       |                     |                     |                                      |                           |                           |
|---|-----------------------------|-----------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|--------------------------------------|---------------------------|---------------------------|
|   |                             | Credit Card<br>Banks        | International<br>Banks | Agricultural<br>Banks | Commercial<br>Lenders | Mortgage<br>Lenders | Consumer<br>Lenders | Other<br>Specialized<br><\$1 Billion | All Other<br><\$1 Billion | All Other<br>>\$1 Billion |
| Number of institutions reporting .....                            | 8,305                       | 26                          | 5                      | 1,558                 | 4,752                 | 837                 | 91                  | 281                                  | 711                       | 44                        |
| Commercial banks .....  | 7,085                       | 22                          | 5                      | 1,554                 | 4,248                 | 229                 | 71                  | 259                                  | 663                       | 34                        |
| Savings institutions .....  | 1,220                       | 4                           | 0                      | 4                     | 504                   | 608                 | 20                  | 22                                   | 48                        | 10                        |
| Total assets (in billions) .....                                  | \$13,853.2                  | \$512.8                     | \$3,414.2              | \$168.8               | \$5,467.7             | \$996.7             | \$122.2             | \$34.7                               | \$95.8                    | \$3,040.3                 |
| Commercial banks .....  | 12,318.7                    | 486.9                       | 3,414.2                | 168.3                 | 4,945.6               | 182.3               | 66.1                | 30.5                                 | 85.1                      | 2,939.6                   |
| Savings institutions .....  | 1,534.6                     | 26.0                        | 0.0                    | 0.4                   | 522.1                 | 814.4               | 56.1                | 4.2                                  | 10.7                      | 100.6                     |
| Total deposits (in billions) .....                                | 9,035.7                     | 200.0                       | 2,139.2                | 135.6                 | 3,872.2               | 547.8               | 87.2                | 25.8                                 | 78.4                      | 1,949.6                   |
| Commercial banks .....  | 8,082.1                     | 183.0                       | 2,139.2                | 135.2                 | 3,528.8               | 68.0                | 43.1                | 22.9                                 | 69.7                      | 1,892.1                   |
| Savings institutions .....  | 953.6                       | 17.0                        | 0.0                    | 0.4                   | 343.4                 | 479.8               | 44.1                | 2.9                                  | 8.6                       | 57.5                      |
| Net income (in millions) .....                                    | 16,073                      | 7,907                       | 12,175                 | 1,643                 | 149                   | -4,103              | -7                  | 496                                  | 810                       | -2,997                    |
| Commercial banks .....  | 24,341                      | 7,584                       | 12,175                 | 1,640                 | 625                   | 2,282               | 8                   | 291                                  | 830                       | -1,093                    |
| Savings institutions .....  | -8,268                      | 323                         | 0                      | 3                     | -476                  | -6,385              | -15                 | 204                                  | -19                       | -1,904                    |
| <b>Performance Ratios (%)</b>                                     |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Yield on earning assets .....                                     | 5.36                        | 12.21                       | 5.13                   | 6.38                  | 5.88                  | 4.91                | 6.64                | 4.52                                 | 6.10                      | 3.61                      |
| Cost of funding earning assets .....                              | 2.18                        | 2.81                        | 2.26                   | 2.48                  | 2.28                  | 2.47                | 2.90                | 1.67                                 | 2.28                      | 1.66                      |
| Net interest margin .....   | 3.18                        | 9.41                        | 2.86                   | 3.90                  | 3.60                  | 2.43                | 3.74                | 2.85                                 | 3.82                      | 1.94                      |
| Noninterest income to assets .....                                | 1.58                        | 7.99                        | 1.75                   | 0.70                  | 1.45                  | 0.44                | 1.79                | 11.45                                | 0.87                      | 0.92                      |
| Noninterest expense to assets .....                               | 2.72                        | 6.65                        | 2.72                   | 2.69                  | 3.14                  | 1.56                | 2.96                | 11.18                                | 2.98                      | 1.64                      |
| Loan and lease loss provision to assets .....                     | 1.32                        | 6.69                        | 1.19                   | 0.35                  | 1.29                  | 1.42                | 2.43                | 0.13                                 | 0.28                      | 0.70                      |
| Net operating income to assets .....                              | 0.16                        | 1.41                        | 0.24                   | 1.04                  | 0.06                  | -0.37               | -0.06               | 1.64                                 | 0.95                      | 0.13                      |
| Pretax return on assets .....                                     | 0.17                        | 2.60                        | 0.30                   | 1.18                  | 0.10                  | -0.34               | -0.04               | 2.41                                 | 1.02                      | -0.15                     |
| Return on assets .....  | 0.12                        | 1.69                        | 0.38                   | 1.01                  | 0.00                  | -0.42               | -0.01               | 1.46                                 | 0.87                      | -0.10                     |
| Return on equity .....  | 1.24                        | 7.86                        | 5.18                   | 9.12                  | 0.03                  | -5.53               | -0.06               | 7.46                                 | 7.64                      | -1.07                     |
| Net charge-offs to loans and leases .....                         | 1.28                        | 5.94                        | 1.43                   | 0.41                  | 1.12                  | 0.85                | 1.74                | 0.33                                 | 0.35                      | 0.74                      |
| Loan and lease loss provision to net charge-offs .....            | 175.36                      | 151.89                      | 204.34                 | 129.21                | 163.25                | 244.20              | 172.13              | 151.24                               | 139.74                    | 183.99                    |
| Efficiency ratio .....  | 59.02                       | 39.56                       | 65.41                  | 62.70                 | 60.95                 | 57.10               | 55.88               | 76.37                                | 67.64                     | 59.55                     |
| % of unprofitable institutions .....                              | 23.36                       | 15.38                       | 20.00                  | 6.68                  | 31.21                 | 23.54               | 18.68               | 16.37                                | 9.70                      | 43.18                     |
| % of institutions with earnings gains .....                       | 37.00                       | 26.92                       | 40.00                  | 52.12                 | 27.99                 | 48.51               | 43.96               | 40.93                                | 48.95                     | 29.55                     |
| <b>Condition Ratios (%)</b>                                       |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Earning assets to total assets .....                              | 84.94                       | 81.29                       | 81.44                  | 91.19                 | 87.40                 | 90.90               | 92.95               | 87.54                                | 91.60                     | 82.23                     |
| Loss allowance to:  |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Loans and leases .....  | 2.20                        | 7.09                        | 2.79                   | 1.32                  | 1.86                  | 1.34                | 2.44                | 1.37                                 | 1.26                      | 1.75                      |
| Noncurrent loans and leases .....                                 | 75.00                       | 255.14                      | 72.75                  | 91.92                 | 65.37                 | 39.81               | 164.59              | 132.65                               | 88.55                     | 70.66                     |
| Noncurrent assets plus<br>other real estate owned to assets ..... | 1.88                        | 2.08                        | 1.62                   | 1.18                  | 2.31                  | 2.53                | 1.31                | 0.35                                 | 1.05                      | 1.27                      |
| Equity capital ratio .....  | 9.40                        | 20.44                       | 7.12                   | 11.01                 | 10.15                 | 7.51                | 9.85                | 18.57                                | 11.26                     | 9.11                      |
| Core capital (leverage) ratio .....                               | 7.49                        | 14.54                       | 5.96                   | 9.99                  | 8.17                  | 7.20                | 9.86                | 16.31                                | 10.87                     | 6.59                      |
| Tier 1 risk-based capital ratio .....                             | 9.98                        | 13.72                       | 9.60                   | 13.33                 | 9.69                  | 12.87               | 12.23               | 38.10                                | 17.68                     | 8.73                      |
| Total risk-based capital ratio .....                              | 12.81                       | 16.11                       | 13.73                  | 14.40                 | 12.02                 | 13.85               | 13.93               | 38.92                                | 18.78                     | 12.05                     |
| Net loans and leases to deposits .....                            | 85.25                       | 179.10                      | 58.53                  | 81.63                 | 96.98                 | 119.75              | 108.67              | 30.09                                | 68.25                     | 72.57                     |
| Net loans to total assets .....                                   | 55.60                       | 69.84                       | 36.67                  | 65.57                 | 68.68                 | 65.81               | 77.53               | 22.35                                | 55.81                     | 46.54                     |
| Domestic deposits to total assets .....                           | 54.11                       | 34.37                       | 31.48                  | 80.33                 | 67.72                 | 54.89               | 70.21               | 72.04                                | 81.69                     | 54.96                     |
| <b>Structural Changes</b>   |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| New Charters .....  | 98                          | 0                           | 0                      | 2                     | 28                    | 2                   | 0                   | 66                                   | 0                         | 0                         |
| Institutions absorbed by mergers .....                            | 292                         | 0                           | 2                      | 32                    | 217                   | 18                  | 1                   | 1                                    | 12                        | 9                         |
| Failed Institutions .....   | 25                          | 0                           | 0                      | 1                     | 21                    | 3                   | 0                   | 0                                    | 0                         | 0                         |
| <b>PRIOR FULL YEARS<br/>(The way it was...)</b>                   |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Number of institutions .....                                      | 2007 8,534                  | 27                          | 5                      | 1,592                 | 4,773                 | 784                 | 109                 | 373                                  | 815                       | 56                        |
| .....2005   | 8,833                       | 33                          | 4                      | 1,685                 | 4,617                 | 887                 | 125                 | 425                                  | 995                       | 62                        |
| .....2003   | 9,181                       | 36                          | 6                      | 1,767                 | 4,254                 | 1,033               | 157                 | 529                                  | 1,308                     | 91                        |
| Total assets (in billions) .....                                  | 2007 \$13,034.1             | \$479.2                     | \$2,784.4              | \$157.5               | \$4,619.2             | \$1,328.1           | \$94.9              | \$37.8                               | \$110.4                   | \$3,422.7                 |
| .....2005   | 10,878.3                    | 359.1                       | 1,851.2                | 142.3                 | 4,257.3               | 1,655.1             | 117.3               | 47.7                                 | 128.7                     | 2,319.6                   |
| .....2003   | 9,075.7                     | 348.4                       | 1,448.0                | 129.5                 | 2,923.8               | 1,657.9             | 146.6               | 61.1                                 | 171.1                     | 2,189.3                   |
| Return on assets (%) .....  | 2007 0.81                   | 3.35                        | 0.58                   | 1.20                  | 0.83                  | 0.03                | 1.26                | 2.56                                 | 1.03                      | 0.88                      |
| .....2005   | 1.28                        | 2.90                        | 0.86                   | 1.27                  | 1.36                  | 1.07                | 1.55                | 2.18                                 | 1.09                      | 1.35                      |
| .....2003   | 1.38                        | 4.08                        | 1.10                   | 1.20                  | 1.28                  | 1.38                | 1.31                | 1.85                                 | 1.06                      | 1.34                      |
| Net charge-offs to loans & leases (%) .....                       | 2007 0.59                   | 3.95                        | 0.76                   | 0.22                  | 0.35                  | 0.40                | 0.87                | 0.29                                 | 0.22                      | 0.39                      |
| .....2005   | 0.49                        | 4.64                        | 0.87                   | 0.18                  | 0.23                  | 0.12                | 1.44                | 0.26                                 | 0.23                      | 0.24                      |
| .....2003   | 0.78                        | 5.22                        | 1.40                   | 0.28                  | 0.46                  | 0.18                | 2.09                | 1.22                                 | 0.38                      | 0.62                      |
| Noncurrent assets plus<br>OREO to assets (%) .....                | 2007 0.94                   | 1.54                        | 0.68                   | 0.83                  | 1.07                  | 1.52                | 1.64                | 0.23                                 | 0.65                      | 0.68                      |
| .....2005   | 0.50                        | 1.32                        | 0.46                   | 0.61                  | 0.48                  | 0.56                | 0.51                | 0.24                                 | 0.54                      | 0.39                      |
| .....2003   | 0.75                        | 1.63                        | 0.93                   | 0.81                  | 0.68                  | 0.73                | 0.99                | 0.33                                 | 0.71                      | 0.59                      |
| Equity capital ratio (%) .....                                    | 2007 10.34                  | 21.26                       | 8.01                   | 11.17                 | 11.00                 | 8.38                | 12.62               | 19.98                                | 11.46                     | 10.32                     |
| .....2005   | 10.28                       | 21.51                       | 8.30                   | 10.55                 | 10.83                 | 9.39                | 10.11               | 19.47                                | 10.83                     | 9.53                      |
| .....2003   | 9.15                        | 16.04                       | 7.39                   | 10.64                 | 9.24                  | 9.10                | 7.30                | 16.74                                | 10.45                     | 8.87                      |

\* See Table IV-A (page 8) for explanations.

# Quarterly Banking Profile

**TABLE III-A. Full Year 2008, All FDIC-Insured Institutions**

| FULL YEAR<br>(The way it is...)                          | All Insured Institutions | Asset Size Distribution |                              |                             |                           | Geographic Regions* |           |           |             |         |               |           |
|--|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|-----------|-----------|-------------|---------|---------------|-----------|
|  |                          | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York            | Atlanta   | Chicago   | Kansas City | Dallas  | San Francisco |           |
| Number of institutions reporting                         | 8,305                    | 3,131                   | 4,498                        | 562                         | 114                       | 1,014               | 1,180     | 1,705     | 1,935       | 1,700   | 771           |           |
| Commercial banks   | 7,085                    | 2,784                   | 3,789                        | 426                         | 86                        | 530                 | 1,041     | 1,407     | 1,829       | 1,575   | 703           |           |
| Savings institutions                                     | 1,220                    | 347                     | 709                          | 136                         | 28                        | 484                 | 139       | 298       | 106         | 125     | 68            |           |
| Total assets (in billions)                               | \$13,853.2               | \$170.8                 | \$1,354.9                    | \$1,493.0                   | \$10,834.5                | \$2,432.9           | \$3,749.7 | \$3,266.6 | \$1,057.4   | \$781.1 | \$2,565.6     |           |
| Commercial banks   | 12,318.7                 | 152.5                   | 1,104.8                      | 1,143.7                     | 9,917.6                   | 1,725.3             | 3,483.4   | 3,119.1   | 1,008.2     | 653.5   | 2,329.2       |           |
| Savings institutions                                     | 1,534.6                  | 18.3                    | 250.1                        | 349.3                       | 916.8                     | 707.5               | 266.3     | 147.5     | 49.3        | 127.6   | 236.3         |           |
| Total deposits (in billions)                             | 9,035.7                  | 139.2                   | 1,071.1                      | 1,080.7                     | 6,744.6                   | 1,534.4             | 2,513.5   | 2,155.6   | 718.8       | 571.1   | 1,542.2       |           |
| Commercial banks   | 8,082.1                  | 125.2                   | 886.6                        | 831.2                       | 6,239.0                   | 1,058.4             | 2,363.4   | 2,050.6   | 683.3       | 492.0   | 1,434.3       |           |
| Savings institutions                                     | 953.6                    | 14.0                    | 184.5                        | 249.5                       | 505.6                     | 476.0               | 150.1     | 104.9     | 35.5        | 79.1    | 107.9         |           |
| Net income (in millions)                                 | 16,073                   | 503                     | 4,355                        | -2,176                      | 13,391                    | 8,490               | -3,099    | 10,903    | 5,895       | 4,019   | -10,136       |           |
| Commercial banks   | 24,341                   | 536                     | 4,114                        | -900                        | 20,591                    | 10,756              | -1,859    | 11,690    | 5,927       | 3,777   | -5,950        |           |
| Savings institutions                                     | -8,268                   | -34                     | 241                          | -1,275                      | -7,200                    | -2,266              | -1,240    | -787      | -32         | 241     | -4,185        |           |
| <b>Performance Ratios (%)</b>                            |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Yield on earning assets                                  | 5.36                     | 6.25                    | 6.32                         | 5.99                        | 5.11                      | 6.13                | 4.39      | 4.87      | 6.42        | 5.89    | 6.08          |           |
| Cost of funding earning assets                           | 2.18                     | 2.39                    | 2.61                         | 2.47                        | 2.07                      | 2.42                | 1.94      | 2.14      | 2.07        | 2.18    | 2.40          |           |
| Net interest margin                                      | 3.18                     | 3.87                    | 3.71                         | 3.52                        | 3.04                      | 3.70                | 2.44      | 2.72      | 4.35        | 3.70    | 3.68          |           |
| Noninterest income to assets                             | 1.58                     | 1.16                    | 1.05                         | 1.12                        | 1.72                      | 2.17                | 1.15      | 1.84      | 2.65        | 1.40    | 0.94          |           |
| Noninterest expense to assets                            | 2.72                     | 3.83                    | 3.22                         | 3.03                        | 2.60                      | 3.09                | 2.21      | 2.52      | 3.85        | 3.22    | 2.79          |           |
| Loan and lease loss provision to assets                  | 1.32                     | 0.44                    | 0.68                         | 1.15                        | 1.45                      | 1.44                | 1.02      | 1.23      | 1.83        | 0.78    | 1.75          |           |
| Net operating income to assets                           | 0.16                     | 0.33                    | 0.42                         | -0.02                       | 0.14                      | 0.50                | -0.07     | 0.29      | 0.52        | 0.54    | -0.27         |           |
| Pretax return on assets                                  | 0.17                     | 0.41                    | 0.43                         | -0.08                       | 0.17                      | 0.61                | -0.04     | 0.49      | 0.83        | 0.71    | -0.77         |           |
| Return on assets   | 0.12                     | 0.31                    | 0.33                         | -0.15                       | 0.13                      | 0.36                | -0.08     | 0.37      | 0.59        | 0.54    | -0.42         |           |
| Return on equity   | 1.24                     | 2.29                    | 3.22                         | -1.36                       | 1.37                      | 3.01                | -0.82     | 4.30      | 6.06        | 5.41    | -4.77         |           |
| Net charge-offs to loans and leases                      | 1.28                     | 0.44                    | 0.63                         | 1.04                        | 1.44                      | 1.43                | 1.00      | 1.22      | 1.59        | 0.68    | 1.72          |           |
| Loan and lease loss provision to net charge-offs         | 175.36                   | 157.42                  | 151.84                       | 160.22                      | 179.02                    | 177.86              | 169.73    | 189.75    | 169.66      | 173.53  | 169.94        |           |
| Efficiency ratio   | 59.02                    | 80.85                   | 70.23                        | 63.12                       | 56.56                     | 53.36               | 59.33     | 58.26     | 58.50       | 64.60   | 65.18         |           |
| % of unprofitable institutions                           | 23.36                    | 24.31                   | 21.65                        | 28.29                       | 40.35                     | 29.88               | 41.53     | 19.24     | 13.28       | 14.29   | 41.37         |           |
| % of institutions with earnings gains                    | 37.00                    | 40.95                   | 35.99                        | 25.62                       | 24.56                     | 37.87               | 19.66     | 40.41     | 44.39       | 42.59   | 23.99         |           |
| <b>Condition Ratios (%)</b>                              |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Earning assets to total assets                           | 84.94                    | 91.44                   | 91.51                        | 89.85                       | 83.35                     | 85.57               | 84.01     | 85.08     | 86.45       | 90.09   | 83.35         |           |
| Loss Allowance to:                                       |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Loans and leases   | 2.20                     | 1.37                    | 1.37                         | 1.76                        | 2.43                      | 2.39                | 1.90      | 2.21      | 2.39        | 1.53    | 2.60          |           |
| Noncurrent loans and leases                              | 75.00                    | 69.88                   | 58.64                        | 61.11                       | 79.49                     | 114.45              | 64.75     | 68.25     | 79.95       | 68.35   | 72.27         |           |
| Noncurrent assets plus other real estate owned to assets | 1.88                     | 1.65                    | 2.14                         | 2.37                        | 1.79                      | 1.26                | 1.95      | 1.94      | 2.28        | 1.79    | 2.16          |           |
| Equity capital ratio                                     | 9.40                     | 12.89                   | 10.08                        | 10.78                       | 9.07                      | 11.39               | 9.62      | 8.13      | 9.51        | 9.97    | 8.61          |           |
| Core capital (leverage) ratio                            | 7.49                     | 12.57                   | 9.61                         | 9.27                        | 6.90                      | 8.61                | 6.64      | 6.82      | 8.21        | 9.01    | 7.82          |           |
| Tier 1 risk-based capital ratio                          | 9.98                     | 18.25                   | 12.85                        | 11.83                       | 9.22                      | 12.34               | 8.70      | 9.09      | 9.79        | 11.57   | 10.61         |           |
| Total risk-based capital ratio                           | 12.81                    | 19.31                   | 13.98                        | 13.24                       | 12.50                     | 14.21               | 11.74     | 12.29     | 12.59       | 13.34   | 13.84         |           |
| Net loans and leases to deposits                         | 85.25                    | 77.65                   | 88.43                        | 94.48                       | 83.42                     | 87.87               | 85.49     | 77.21     | 96.08       | 89.22   | 86.99         |           |
| Net loans to total assets                                | 55.60                    | 63.27                   | 69.91                        | 68.39                       | 51.93                     | 55.42               | 57.30     | 50.95     | 65.31       | 65.24   | 52.29         |           |
| Domestic deposits to total assets                        | 54.11                    | 81.49                   | 78.96                        | 71.56                       | 48.17                     | 54.61               | 58.94     | 52.13     | 64.34       | 72.27   | 39.38         |           |
| <b>Structural Changes</b>                                |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| New Charters   | 98                       | 92                      | 4                            | 1                           | 1                         | 20                  | 34        | 3         | 5           | 14      | 22            |           |
| Institutions absorbed by mergers                         | 292                      | 111                     | 146                          | 28                          | 7                         | 41                  | 72        | 60        | 56          | 54      | 9             |           |
| Failed Institutions                                      | 25                       | 6                       | 10                           | 6                           | 3                         | 0                   | 8         | 2         | 4           | 3       | 8             |           |
| <b>PRIOR FULL YEARS<br/>(The way it was...)</b>          |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Number of institutions                                   | 2007                     | 8,534                   | 3,440                        | 4,424                       | 551                       | 119                 | 1,043     | 1,221     | 1,763       | 1,986   | 1,742         | 779       |
|  | 2005                     | 8,833                   | 3,864                        | 4,339                       | 512                       | 118                 | 1,110     | 1,227     | 1,874       | 2,070   | 1,791         | 761       |
|  | 2003                     | 9,181                   | 4,390                        | 4,210                       | 471                       | 110                 | 1,173     | 1,227     | 2,011       | 2,133   | 1,866         | 771       |
| Total assets (in billions)                               | 2007                     | \$13,034.1              | \$181.9                      | \$1,308.8                   | \$1,422.1                 | \$10,121.3          | \$2,441.1 | \$3,329.6 | \$2,842.5   | \$976.3 | \$738.3       | \$2,706.3 |
|  | 2005                     | 10,878.3                | 200.8                        | 1,247.6                     | 1,393.2                   | 8,036.7             | 2,768.2   | 2,683.9   | 2,505.8     | 803.7   | 607.7         | 1,508.9   |
|  | 2003                     | 9,075.7                 | 225.7                        | 1,160.5                     | 1,313.0                   | 6,376.5             | 3,085.2   | 1,882.6   | 1,693.8     | 456.3   | 563.3         | 1,394.3   |
| Return on assets (%)                                     | 2007                     | 0.81                    | 0.74                         | 0.97                        | 0.96                      | 0.77                | 0.77      | 0.81      | 0.86        | 1.46    | 1.00          | 0.52      |
|  | 2005                     | 1.28                    | 0.99                         | 1.24                        | 1.28                      | 1.29                | 1.21      | 1.36      | 0.99        | 1.62    | 1.19          | 1.60      |
|  | 2003                     | 1.38                    | 0.95                         | 1.18                        | 1.41                      | 1.43                | 1.28      | 1.38      | 1.31        | 1.63    | 1.37          | 1.62      |
| Net charge-offs to loans & leases (%)                    | 2007                     | 0.59                    | 0.24                         | 0.25                        | 0.42                      | 0.68                | 0.90      | 0.33      | 0.47        | 0.78    | 0.30          | 0.76      |
|  | 2005                     | 0.49                    | 0.20                         | 0.19                        | 0.24                      | 0.60                | 0.80      | 0.23      | 0.33        | 0.56    | 0.24          | 0.70      |
|  | 2003                     | 0.78                    | 0.31                         | 0.36                        | 0.54                      | 0.94                | 1.16      | 0.54      | 0.72        | 1.09    | 0.40          | 0.58      |
| Noncurrent assets plus OREO to assets (%)                | 2007                     | 0.94                    | 0.96                         | 1.07                        | 1.09                      | 0.91                | 0.76      | 0.81      | 0.94        | 1.37    | 1.00          | 1.12      |
|  | 2005                     | 0.50                    | 0.69                         | 0.52                        | 0.44                      | 0.50                | 0.44      | 0.30      | 0.54        | 0.86    | 0.73          | 0.59      |
|  | 2003                     | 0.75                    | 0.83                         | 0.69                        | 0.62                      | 0.78                | 0.78      | 0.56      | 0.86        | 0.84    | 0.76          | 0.76      |
| Equity capital ratio (%)                                 | 2007                     | 10.34                   | 13.73                        | 10.49                       | 11.34                     | 10.12               | 12.06     | 10.30     | 9.23        | 9.74    | 10.22         | 10.24     |
|  | 2005                     | 10.28                   | 12.16                        | 10.20                       | 10.68                     | 10.18               | 10.54     | 9.80      | 9.23        | 10.45   | 10.17         | 12.40     |
|  | 2003                     | 9.15                    | 11.49                        | 10.05                       | 10.34                     | 8.66                | 9.05      | 8.78      | 8.49        | 10.59   | 9.60          | 10.05     |

\* See Table IV-A (page 9) for explanations.

# Quarterly Banking Profile

**TABLE IV-A. Fourth Quarter 2008, All FDIC-Insured Institutions**

| FOURTH QUARTER<br>(The way it is...)                   | All Insured<br>Institutions | Asset Concentration Groups* |                        |                       |                       |                     |                     |                                      |                           |                           |      |
|--|-----------------------------|-----------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|--------------------------------------|---------------------------|---------------------------|------|
|  |                             | Credit Card<br>Banks        | International<br>Banks | Agricultural<br>Banks | Commercial<br>Lenders | Mortgage<br>Lenders | Consumer<br>Lenders | Other<br>Specialized<br><\$1 Billion | All Other<br><\$1 Billion | All Other<br>>\$1 Billion |      |
| Number of institutions reporting .....                 | 8,305                       | 26                          | 5                      | 1,558                 | 4,752                 | 837                 | 91                  | 281                                  | 711                       | 44                        |      |
| Commercial banks .....                                 | 7,085                       | 22                          | 5                      | 1,554                 | 4,248                 | 229                 | 71                  | 259                                  | 663                       | 34                        |      |
| Savings institutions .....                             | 1,220                       | 4                           | 0                      | 4                     | 504                   | 608                 | 20                  | 22                                   | 48                        | 10                        |      |
| Total assets (in billions) .....                       | \$13,853.2                  | \$512.8                     | \$3,414.2              | \$168.8               | \$5,467.7             | \$996.7             | \$122.2             | \$34.7                               | \$95.8                    | \$3,040.3                 |      |
| Commercial banks .....                                 | 12,318.7                    | 486.9                       | 3,414.2                | 168.3                 | 4,945.6               | 182.3               | 66.1                | 30.5                                 | 85.1                      | 2,939.6                   |      |
| Savings institutions .....                             | 1,534.6                     | 26.0                        | 0.0                    | 0.4                   | 522.1                 | 814.4               | 56.1                | 4.2                                  | 10.7                      | 100.6                     |      |
| Total deposits (in billions) .....                     | 9,035.7                     | 200.0                       | 2,139.2                | 135.6                 | 3,872.2               | 547.8               | 87.2                | 25.8                                 | 78.4                      | 1,949.6                   |      |
| Commercial banks .....                                 | 8,082.1                     | 183.0                       | 2,139.2                | 135.2                 | 3,528.8               | 68.0                | 43.1                | 22.9                                 | 69.7                      | 1,892.1                   |      |
| Savings institutions .....                             | 953.6                       | 17.0                        | 0.0                    | 0.4                   | 343.4                 | 479.8               | 44.1                | 2.9                                  | 8.6                       | 57.5                      |      |
| Net income (in millions) .....                         | -26,211                     | -281                        | 3,794                  | 291                   | -17,664               | -3,913              | -492                | 62                                   | 174                       | -8,183                    |      |
| Commercial banks .....                                 | -20,437                     | -203                        | 3,794                  | 290                   | -17,563               | 547                 | -348                | 8                                    | 181                       | -7,144                    |      |
| Savings institutions .....                             | -5,774                      | -78                         | 0                      | 1                     | -101                  | -4,460              | -144                | 54                                   | -7                        | -1,039                    |      |
| <b>Performance Ratios (annualized, %)</b>              |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |      |
| Yield on earning assets .....                          | 5.21                        | 13.35                       | 4.91                   | 6.13                  | 5.62                  | 5.32                | 6.56                | 4.24                                 | 5.92                      | 3.28                      |      |
| Cost of funding earning assets .....                   | 1.87                        | 2.24                        | 1.79                   | 2.20                  | 2.02                  | 2.48                | 2.83                | 1.41                                 | 2.02                      | 1.32                      |      |
| Net interest margin .....                              | 3.34                        | 11.10                       | 3.12                   | 3.94                  | 3.60                  | 2.84                | 3.73                | 2.82                                 | 3.89                      | 1.96                      |      |
| Noninterest income to assets .....                     | 1.20                        | 6.28                        | 1.36                   | 0.80                  | 1.15                  | 0.34                | 1.35                | 10.69                                | 0.85                      | 0.44                      |      |
| Noninterest expense to assets .....                    | 3.07                        | 6.51                        | 2.75                   | 2.98                  | 3.77                  | 1.84                | 3.16                | 11.19                                | 3.10                      | 1.93                      |      |
| Loan and lease loss provision to assets .....          | 2.03                        | 9.37                        | 1.48                   | 0.62                  | 2.16                  | 2.88                | 4.24                | 0.21                                 | 0.43                      | 0.99                      |      |
| Net operating income to assets .....                   | -0.76                       | -0.40                       | 0.01                   | 0.73                  | -1.30                 | -1.48               | -1.65               | 0.87                                 | 0.80                      | -0.60                     |      |
| Pretax return on assets .....                          | -1.16                       | -0.40                       | 0.02                   | 0.77                  | -1.67                 | -1.94               | -2.58               | 1.55                                 | 0.77                      | -1.65                     |      |
| Return on assets .....                                 | -0.77                       | -0.23                       | 0.44                   | 0.70                  | -1.31                 | -1.58               | -1.65               | 0.73                                 | 0.73                      | -1.11                     |      |
| Return on equity .....                                 | -8.04                       | -1.11                       | 6.23                   | 6.35                  | -12.64                | -20.67              | -16.92              | 3.85                                 | 6.51                      | -11.82                    |      |
| Net charge-offs to loans and leases .....              | 1.91                        | 6.96                        | 1.85                   | 0.74                  | 1.82                  | 1.78                | 2.14                | 0.48                                 | 0.54                      | 1.16                      |      |
| Loan and lease loss provision to net charge-offs ..... | 183.01                      | 180.90                      | 204.76                 | 124.24                | 167.87                | 239.18              | 247.80              | 187.69                               | 139.01                    | 172.12                    |      |
| Efficiency ratio .....                                 | 64.77                       | 39.42                       | 69.98                  | 67.22                 | 66.22                 | 61.83               | 64.98               | 77.24                                | 69.84                     | 78.56                     |      |
| % of unprofitable institutions .....                   | 32.13                       | 46.15                       | 20.00                  | 17.39                 | 40.74                 | 26.40               | 27.47               | 26.33                                | 15.19                     | 45.45                     |      |
| % of institutions with earnings gains .....            | 35.95                       | 23.08                       | 80.00                  | 43.07                 | 29.19                 | 51.73               | 42.86               | 39.15                                | 45.85                     | 22.73                     |      |
| <b>Structural Changes</b>                              |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |      |
| New Charters .....                                     | 15                          | 0                           | 0                      | 0                     | 6                     | 0                   | 0                   | 9                                    | 0                         | 0                         |      |
| Institutions absorbed by mergers .....                 | 79                          | 0                           | 0                      | 8                     | 59                    | 5                   | 0                   | 0                                    | 4                         | 3                         |      |
| Failed Institutions .....                              | 12                          | 0                           | 0                      | 0                     | 11                    | 1                   | 0                   | 0                                    | 0                         | 0                         |      |
| <b>PRIOR FOURTH QUARTERS<br/>(The way it was...)</b>   |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |      |
| Return on assets (%) .....                             | 2007                        | 0.02                        | 2.01                   | -0.20                 | 1.07                  | 0.24                | -1.97               | 0.62                                 | 2.09                      | 0.92                      | 0.32 |
| .....  | 2005                        | 1.21                        | 2.16                   | 0.79                  | 1.12                  | 1.32                | 1.02                | 1.35                                 | 3.75                      | 0.96                      | 1.30 |
| .....  | 2003                        | 1.38                        | 4.66                   | 1.22                  | 1.05                  | 1.21                | 1.26                | 1.07                                 | 3.40                      | 0.93                      | 1.34 |
| Net charge-offs to loans & leases (%) .....            | 2007                        | 0.84                        | 4.24                   | 1.05                  | 0.32                  | 0.62                | 0.67                | 1.03                                 | 0.26                      | 0.38                      | 0.55 |
| .....  | 2005                        | 0.60                        | 6.16                   | 0.86                  | 0.26                  | 0.29                | 0.19                | 1.67                                 | 0.36                      | 0.32                      | 0.30 |
| .....  | 2003                        | 0.80                        | 5.30                   | 1.36                  | 0.44                  | 0.49                | 0.13                | 2.81                                 | 0.56                      | 0.44                      | 0.56 |

**\*Asset Concentration Group Definitions (Groups are hierarchical and mutually exclusive):**

Credit-card Lenders - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.

International Banks - Banks with assets greater than \$10 billion and more than 25 percent of total assets in foreign offices.

Agricultural Banks - Banks whose agricultural production loans plus real estate loans secured by farmland exceed 25 percent of the total loans and leases.

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans secured by commercial real estate properties exceed 25 percent of total assets.

Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.

Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.

Other Specialized < \$1 Billion - Institutions with assets less than \$1 billion, whose loans and leases are less than 40 percent of total assets.

All Other < \$1 billion - Institutions with assets less than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

All Other > \$1 billion - Institutions with assets greater than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

# Quarterly Banking Profile

**TABLE IV-A. Fourth Quarter 2008, All FDIC-Insured Institutions**

| FOURTH QUARTER<br>(The way it is...)                   | All<br>Insured<br>Institutions | Asset Size Distribution       |                                    |                                   |                                 | Geographic Regions* |           |           |                |         |                  |       |
|--|--------------------------------|-------------------------------|------------------------------------|-----------------------------------|---------------------------------|---------------------|-----------|-----------|----------------|---------|------------------|-------|
|  |                                | Less<br>than \$100<br>Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater<br>than \$10<br>Billion | New York            | Atlanta   | Chicago   | Kansas<br>City | Dallas  | San<br>Francisco |       |
| Number of institutions reporting .....                 | 8,305                          | 3,131                         | 4,498                              | 562                               | 114                             | 1,014               | 1,180     | 1,705     | 1,935          | 1,700   | 771              |       |
| Commercial banks .....                                 | 7,085                          | 2,784                         | 3,789                              | 426                               | 86                              | 530                 | 1,041     | 1,407     | 1,829          | 1,575   | 703              |       |
| Savings institutions .....                             | 1,220                          | 347                           | 709                                | 136                               | 28                              | 484                 | 139       | 298       | 106            | 125     | 68               |       |
| Total assets (in billions) .....                       | \$13,853.2                     | \$170.8                       | \$1,354.9                          | \$1,493.0                         | \$10,834.5                      | \$2,432.9           | \$3,749.7 | \$3,266.6 | \$1,057.4      | \$781.1 | \$2,565.6        |       |
| Commercial banks .....                                 | 12,318.7                       | 152.5                         | 1,104.8                            | 1,143.7                           | 9,917.6                         | 1,725.3             | 3,483.4   | 3,119.1   | 1,008.2        | 653.5   | 2,329.2          |       |
| Savings institutions .....                             | 1,534.6                        | 18.3                          | 250.1                              | 349.3                             | 916.8                           | 707.5               | 266.3     | 147.5     | 49.3           | 127.6   | 236.3            |       |
| Total deposits (in billions) .....                     | 9,035.7                        | 139.2                         | 1,071.1                            | 1,080.7                           | 6,744.6                         | 1,534.4             | 2,513.5   | 2,155.6   | 718.8          | 571.1   | 1,542.2          |       |
| Commercial banks .....                                 | 8,082.1                        | 125.2                         | 886.6                              | 831.2                             | 6,239.0                         | 1,058.4             | 2,363.4   | 2,050.6   | 683.3          | 492.0   | 1,434.3          |       |
| Savings institutions .....                             | 953.6                          | 14.0                          | 184.5                              | 249.5                             | 505.6                           | 476.0               | 150.1     | 104.9     | 35.5           | 79.1    | 107.9            |       |
| Net income (in millions) .....                         | -26,211                        | -110                          | -198                               | -4,388                            | -21,516                         | -3,170              | -13,244   | 138       | -941           | 161     | -9,155           |       |
| Commercial banks .....                                 | -20,437                        | -83                           | -226                               | -3,536                            | -16,592                         | -1,171              | -12,714   | 531       | -935           | 227     | -6,375           |       |
| Savings institutions .....                             | -5,774                         | -27                           | 28                                 | -852                              | -4,924                          | -1,999              | -531      | -393      | -6             | -66     | -2,780           |       |
| <b>Performance Ratios (annualized, %)</b>              |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |       |
| Yield on earning assets .....                          | 5.21                           | 6.03                          | 6.01                               | 5.81                              | 4.99                            | 6.08                | 4.20      | 4.76      | 6.21           | 5.55    | 5.92             |       |
| Cost of funding earning assets .....                   | 1.87                           | 2.17                          | 2.37                               | 2.28                              | 1.73                            | 2.09                | 1.68      | 1.77      | 1.67           | 1.90    | 2.13             |       |
| Net interest margin .....                              | 3.34                           | 3.87                          | 3.64                               | 3.53                              | 3.26                            | 3.99                | 2.51      | 2.99      | 4.53           | 3.65    | 3.79             |       |
| Noninterest income to assets .....                     | 1.20                           | 1.19                          | 0.97                               | 0.88                              | 1.27                            | 1.93                | 0.74      | 1.59      | 2.11           | 1.33    | 0.22             |       |
| Noninterest expense to assets .....                    | 3.07                           | 4.22                          | 3.26                               | 3.38                              | 2.99                            | 3.37                | 3.01      | 2.60      | 3.97           | 3.35    | 3.02             |       |
| Loan and lease loss provision to assets .....          | 2.03                           | 0.73                          | 1.10                               | 1.89                              | 2.18                            | 2.24                | 1.58      | 1.74      | 3.07           | 1.14    | 2.69             |       |
| Net operating income to assets .....                   | -0.76                          | -0.23                         | -0.01                              | -1.04                             | -0.82                           | -0.26               | -1.42     | -0.17     | -0.57          | 0.09    | -1.37            |       |
| Pretax return on assets .....                          | -1.16                          | -0.26                         | -0.16                              | -1.46                             | -1.26                           | -0.71               | -1.78     | -0.02     | -0.72          | 0.11    | -2.78            |       |
| Return on assets .....                                 | -0.77                          | -0.26                         | -0.06                              | -1.20                             | -0.80                           | -0.51               | -1.42     | 0.02      | -0.36          | 0.08    | -1.50            |       |
| Return on equity .....                                 | -8.04                          | -2.00                         | -0.58                              | -11.02                            | -8.72                           | -4.54               | -14.30    | 0.21      | -3.79          | 0.84    | -17.19           |       |
| Net charge-offs to loans and leases .....              | 1.91                           | 0.81                          | 1.06                               | 1.69                              | 2.11                            | 1.84                | 1.60      | 1.86      | 2.26           | 0.96    | 2.73             |       |
| Loan and lease loss provision to net charge-offs ..... | 183.01                         | 140.94                        | 145.53                             | 159.83                            | 189.66                          | 218.61              | 167.06    | 177.49    | 201.63         | 178.06  | 171.80           |       |
| Efficiency ratio .....                                 | 64.77                          | 87.74                         | 72.41                              | 69.82                             | 62.60                           | 53.94               | 71.24     | 58.31     | 64.18          | 65.45   | 84.06            |       |
| % of unprofitable institutions .....                   | 32.13                          | 33.15                         | 30.15                              | 38.26                             | 51.75                           | 33.23               | 50.76     | 27.16     | 25.94          | 22.76   | 49.29            |       |
| % of institutions with earnings gains .....            | 35.95                          | 40.31                         | 34.42                              | 25.98                             | 26.32                           | 42.31               | 23.47     | 38.01     | 39.59          | 39.59   | 25.03            |       |
| <b>Structural Changes</b>                              |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |       |
| New Charters .....                                     | 15                             | 15                            | 0                                  | 0                                 | 0                               | 2                   | 6         | 2         | 1              | 0       | 4                |       |
| Institutions absorbed by mergers .....                 | 79                             | 34                            | 37                                 | 6                                 | 2                               | 13                  | 19        | 16        | 13             | 17      | 1                |       |
| Failed Institutions .....                              | 12                             | 3                             | 6                                  | 2                                 | 1                               | 0                   | 5         | 2         | 0              | 2       | 3                |       |
| <b>PRIOR FOURTH QUARTERS<br/>(The way it was...)</b>   |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |       |
| Return on assets (%) .....                             | 2007                           | 0.02                          | 0.44                               | 0.68                              | 0.60                            | -0.16               | 0.13      | 0.10      | 0.60           | 0.98    | 0.55             | -1.26 |
| .....  | 2005                           | 1.21                          | 0.80                               | 1.25                              | 1.19                            | 1.22                | 1.10      | 1.30      | 0.96           | 1.49    | 1.11             | 1.58  |
| .....  | 2003                           | 1.38                          | 0.85                               | 1.15                              | 1.41                            | 1.44                | 1.34      | 1.36      | 1.30           | 1.62    | 1.26             | 1.58  |
| Net charge-offs to loans & leases (%) .....            | 2007                           | 0.84                          | 0.37                               | 0.46                              | 0.63                            | 0.94                | 1.00      | 0.56      | 0.75           | 1.11    | 0.51             | 1.10  |
| .....  | 2005                           | 0.60                          | 0.31                               | 0.26                              | 0.28                            | 0.73                | 0.89      | 0.26      | 0.44           | 0.61    | 0.33             | 0.95  |
| .....  | 2003                           | 0.80                          | 0.43                               | 0.48                              | 0.60                            | 0.92                | 1.06      | 0.49      | 0.90           | 1.40    | 0.47             | 0.54  |

**\* Regions:**

New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico

Rhode Island, Vermont, U.S. Virgin Islands

Atlanta - Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia

Chicago - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin

Kansas City - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

Dallas - Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, Texas

San Francisco - Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming

# Quarterly Banking Profile

**TABLE V-A. Loan Performance, All FDIC-Insured Institutions**

| December 31, 2008                                  | All Insured Institutions | Asset Concentration Groups* |                     |                    |                    |                  |                  |                                |                        |                        |
|--|--------------------------|-----------------------------|---------------------|--------------------|--------------------|------------------|------------------|--------------------------------|------------------------|------------------------|
|  |                          | Credit Card Banks           | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| <b>Percent of Loans 30-89 Days Past Due</b>        |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All loans secured by real estate .....             | 2.37                     | 3.81                        | 3.41                | 1.36               | 1.86               | 2.68             | 1.70             | 1.46                           | 2.08                   | 3.12                   |
| Construction and development .....                 | 2.93                     | 0.00                        | 2.72                | 2.70               | 2.94               | 4.85             | 1.94             | 1.67                           | 1.98                   | 2.47                   |
| Nonfarm nonresidential .....                       | 1.07                     | 0.00                        | 0.82                | 1.08               | 1.09               | 1.23             | 0.70             | 0.99                           | 1.57                   | 1.01                   |
| Multifamily residential real estate .....          | 1.18                     | 0.00                        | 1.05                | 0.92               | 1.19               | 1.14             | 0.06             | 0.43                           | 1.32                   | 1.43                   |
| Home equity loans .....                            | 1.78                     | 3.87                        | 2.15                | 0.75               | 1.23               | 2.16             | 1.36             | 0.21                           | 1.02                   | 2.38                   |
| Other 1-4 family residential .....                 | 3.27                     | 4.11                        | 4.75                | 1.99               | 2.45               | 2.77             | 2.07             | 1.80                           | 2.53                   | 4.34                   |
| Commercial and industrial loans .....              | 0.96                     | 4.61                        | 0.68                | 1.68               | 1.00               | 0.94             | 1.38             | 0.93                           | 1.63                   | 0.69                   |
| Loans to individuals .....                         | 2.61                     | 3.11                        | 2.48                | 2.30               | 2.53               | 1.88             | 1.91             | 1.63                           | 2.69                   | 2.23                   |
| Credit card loans .....                            | 2.88                     | 2.98                        | 2.80                | 2.02               | 2.63               | 3.24             | 1.67             | 1.83                           | 3.18                   | 2.85                   |
| Other loans to individuals .....                   | 2.43                     | 4.07                        | 2.33                | 2.32               | 2.51               | 1.43             | 1.98             | 1.60                           | 2.67                   | 2.12                   |
| All other loans and leases (including farm) .....  | 0.64                     | 0.20                        | 0.47                | 0.98               | 0.81               | 0.16             | 0.26             | 0.63                           | 1.14                   | 0.60                   |
| Total loans and leases .....                       | 2.01                     | 3.11                        | 2.25                | 1.37               | 1.68               | 2.61             | 1.75             | 1.35                           | 2.03                   | 2.17                   |
| <b>Percent of Loans Noncurrent**</b>               |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                        | 3.80                     | 2.73                        | 5.09                | 1.78               | 3.67               | 3.49             | 2.15             | 1.08                           | 1.55                   | 3.82                   |
| Construction and development .....                 | 8.51                     | 0.00                        | 4.59                | 7.05               | 8.72               | 13.91            | 3.25             | 3.59                           | 3.66                   | 6.93                   |
| Nonfarm nonresidential .....                       | 1.60                     | 0.00                        | 0.82                | 2.08               | 1.65               | 1.81             | 0.45             | 0.92                           | 1.61                   | 1.44                   |
| Multifamily residential real estate .....          | 1.74                     | 0.00                        | 1.11                | 1.65               | 2.00               | 1.69             | 0.21             | 2.33                           | 2.08                   | 1.33                   |
| Home equity loans .....                            | 1.61                     | 2.92                        | 1.64                | 0.57               | 1.08               | 1.09             | 0.80             | 0.64                           | 0.43                   | 2.82                   |
| Other 1-4 family residential .....                 | 4.64                     | 1.25                        | 7.93                | 1.25               | 4.14               | 3.52             | 3.18             | 0.85                           | 1.42                   | 4.62                   |
| Commercial and industrial loans .....              | 1.69                     | 3.73                        | 3.21                | 1.85               | 1.35               | 1.10             | 0.40             | 1.49                           | 1.89                   | 1.03                   |
| Loans to individuals .....                         | 1.77                     | 2.82                        | 2.12                | 0.82               | 1.13               | 1.33             | 1.00             | 0.52                           | 0.77                   | 0.84                   |
| Credit card loans .....                            | 2.73                     | 2.74                        | 3.01                | 2.28               | 2.54               | 3.86             | 1.57             | 1.10                           | 1.03                   | 2.68                   |
| Other loans to individuals .....                   | 1.11                     | 3.45                        | 1.69                | 0.74               | 0.88               | 0.50             | 0.82             | 0.46                           | 0.76                   | 0.53                   |
| All other loans and leases (including farm) .....  | 1.26                     | 0.08                        | 2.32                | 0.48               | 0.99               | 0.40             | 0.08             | 1.00                           | 0.64                   | 0.67                   |
| Total loans and leases .....                       | 2.93                     | 2.78                        | 3.83                | 1.43               | 2.84               | 3.37             | 1.48             | 1.03                           | 1.42                   | 2.47                   |
| <b>Percent of Loans Charged-off (net, YTD)</b>     |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                        | 0.99                     | 3.53                        | 1.62                | 0.31               | 1.00               | 0.82             | 1.10             | 0.18                           | 0.19                   | 0.79                   |
| Construction and development .....                 | 2.62                     | 0.00                        | 1.01                | 1.81               | 2.72               | 5.59             | 0.12             | 0.48                           | 0.55                   | 1.58                   |
| Nonfarm nonresidential .....                       | 0.24                     | 0.00                        | 0.04                | 0.30               | 0.27               | 0.22             | 0.03             | 0.09                           | 0.16                   | 0.13                   |
| Multifamily residential real estate .....          | 0.40                     | 0.00                        | 0.07                | 0.47               | 0.51               | 0.29             | 0.03             | 0.03                           | 0.11                   | 0.16                   |
| Home equity loans .....                            | 1.58                     | 3.78                        | 1.74                | 0.21               | 1.29               | 2.14             | 1.59             | 0.08                           | 0.31                   | 1.81                   |
| Other 1-4 family residential .....                 | 0.81                     | 1.55                        | 2.09                | 0.17               | 0.61               | 0.56             | 1.00             | 0.20                           | 0.17                   | 0.57                   |
| Commercial and industrial loans .....              | 1.01                     | 8.43                        | 0.60                | 0.93               | 1.08               | 0.49             | 3.39             | 0.11                           | 0.58                   | 0.48                   |
| Loans to individuals .....                         | 3.40                     | 6.07                        | 3.23                | 0.84               | 2.44               | 2.22             | 2.27             | 0.64                           | 0.93                   | 1.40                   |
| Credit card loans .....                            | 5.44                     | 5.79                        | 4.29                | 4.95               | 5.64               | 7.00             | 3.89             | 2.88                           | 2.96                   | 5.22                   |
| Other loans to individuals .....                   | 2.13                     | 7.99                        | 2.74                | 0.57               | 1.88               | 0.87             | 1.75             | 0.42                           | 0.88                   | 0.77                   |
| All other loans and leases (including farm) .....  | 0.46                     | 0.01                        | 0.29                | 0.00               | 0.78               | 0.42             | 1.03             | 1.10                           | 0.49                   | 0.35                   |
| Total loans and leases .....                       | 1.28                     | 5.94                        | 1.43                | 0.41               | 1.12               | 0.85             | 1.74             | 0.33                           | 0.35                   | 0.74                   |
| <b>Loans Outstanding (in billions)</b>             |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                        | \$4,704.8                | \$1.8                       | \$624.1             | \$64.1             | \$2,522.7          | \$630.6          | \$44.4           | \$4.6                          | \$37.8                 | \$774.6                |
| Construction and development .....                 | 592.2                    | 0.0                         | 13.8                | 5.4                | 482.9              | 17.0             | 0.7              | 0.3                            | 2.7                    | 69.4                   |
| Nonfarm nonresidential .....                       | 1,066.5                  | 0.0                         | 34.5                | 17.9               | 845.6              | 27.1             | 3.6              | 1.4                            | 9.2                    | 127.1                  |
| Multifamily residential real estate .....          | 205.5                    | 0.0                         | 40.6                | 1.3                | 132.7              | 11.9             | 0.4              | 0.1                            | 0.7                    | 17.9                   |
| Home equity loans .....                            | 667.5                    | 1.6                         | 143.8               | 1.3                | 293.9              | 51.4             | 14.5             | 0.1                            | 1.4                    | 159.5                  |
| Other 1-4 family residential .....                 | 2,045.2                  | 0.1                         | 343.7               | 16.8               | 721.2              | 522.3            | 25.1             | 2.4                            | 21.1                   | 392.5                  |
| Commercial and industrial loans .....              | 1,496.3                  | 34.0                        | 288.3               | 15.4               | 780.9              | 14.2             | 4.4              | 1.2                            | 5.5                    | 352.3                  |
| Loans to individuals .....                         | 1,088.7                  | 332.2                       | 199.3               | 6.4                | 307.0              | 17.1             | 46.3             | 1.5                            | 6.7                    | 172.3                  |
| Credit card loans .....                            | 444.6                    | 292.4                       | 65.1                | 0.4                | 46.3               | 4.2              | 11.0             | 0.1                            | 0.2                    | 24.9                   |
| Other loans to individuals .....                   | 644.1                    | 39.7                        | 134.2               | 6.1                | 260.6              | 12.9             | 35.3             | 1.3                            | 6.5                    | 147.4                  |
| All other loans and leases (including farm) .....  | 591.3                    | 17.5                        | 180.0               | 26.2               | 216.7              | 3.0              | 2.2              | 0.6                            | 4.2                    | 140.9                  |
| Total loans and leases .....                       | 7,881.1                  | 385.5                       | 1,291.6             | 112.1              | 3,827.3            | 665.0            | 97.4             | 7.9                            | 54.2                   | 1,440.1                |
| <b>Memo: Other Real Estate Owned (in millions)</b> |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All other real estate owned .....                  | 26,626.9                 | -32.7                       | 3,078.2             | 378.1              | 17,212.9           | 2,784.9          | 156.7            | 28.8                           | 232.3                  | 2,787.8                |
| Construction and development .....                 | 8,734.6                  | 0.0                         | 13.0                | 154.5              | 7,676.5            | 559.6            | 3.1              | 6.0                            | 45.2                   | 276.7                  |
| Nonfarm nonresidential .....                       | 3,370.2                  | 0.2                         | 92.0                | 103.2              | 2,273.7            | 63.7             | 3.9              | 8.5                            | 60.5                   | 764.5                  |
| Multifamily residential real estate .....          | 1,201.1                  | 0.0                         | 20.0                | 16.4               | 927.1              | 62.5             | 0.0              | 0.1                            | 23.3                   | 151.8                  |
| 1-4 family residential .....                       | 11,482.5                 | 2.0                         | 2,343.2             | 77.2               | 5,152.2            | 2,051.2          | 149.7            | 12.9                           | 99.4                   | 1,594.7                |
| Farmland .....                                     | 103.1                    | 0.0                         | 0.0                 | 26.4               | 68.9               | 2.6              | 0.0              | 1.3                            | 3.9                    | 0.0                    |
| GNMA properties .....                              | 1,638.1                  | 0.0                         | 464.0               | 0.4                | 1,105.2            | 68.4             | 0.0              | 0.0                            | 0.0                    | 0.1                    |

\* See Table IV-A (page 8) for explanations.

\*\* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

# Quarterly Banking Profile

**TABLE V-A. Loan Performance, All FDIC-Insured Institutions**

| December 31, 2008                                  | All Insured Institutions | Asset Size Distribution |                              |                             |                           | Geographic Regions* |           |           |             |         |               |
|--|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|-----------|-----------|-------------|---------|---------------|
|  |                          | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York            | Atlanta   | Chicago   | Kansas City | Dallas  | San Francisco |
| <b>Percent of Loans 30-89 Days Past Due</b>        |                          |                         |                              |                             |                           |                     |           |           |             |         |               |
| All loans secured by real estate .....             | 2.37                     | 1.86                    | 1.67                         | 1.61                        | 2.74                      | 1.49                | 2.88      | 2.54      | 1.53        | 1.79    | 2.87          |
| Construction and development .....                 | 2.93                     | 2.45                    | 2.64                         | 2.79                        | 3.14                      | 2.44                | 2.77      | 3.54      | 2.63        | 2.17    | 3.92          |
| Nonfarm nonresidential .....                       | 1.07                     | 1.40                    | 1.22                         | 1.00                        | 1.02                      | 1.17                | 1.13      | 1.25      | 0.79        | 0.85    | 0.96          |
| Multifamily residential real estate .....          | 1.18                     | 1.56                    | 1.33                         | 1.16                        | 1.14                      | 0.90                | 1.51      | 1.43      | 1.11        | 0.66    | 0.99          |
| Home equity loans .....                            | 1.78                     | 0.94                    | 0.97                         | 0.93                        | 1.91                      | 0.73                | 2.34      | 1.87      | 1.28        | 0.88    | 1.63          |
| Other 1-4 family residential .....                 | 3.27                     | 2.40                    | 1.87                         | 1.84                        | 3.74                      | 1.66                | 4.04      | 3.47      | 2.10        | 2.96    | 4.06          |
| Commercial and industrial loans .....              | 0.96                     | 1.76                    | 1.40                         | 0.97                        | 0.90                      | 1.39                | 0.75      | 1.09      | 1.17        | 0.74    | 0.79          |
| Loans to individuals .....                         | 2.61                     | 2.78                    | 2.21                         | 2.35                        | 2.65                      | 3.02                | 2.73      | 2.22      | 3.18        | 1.76    | 2.19          |
| Credit card loans .....                            | 2.88                     | 2.27                    | 2.70                         | 2.89                        | 2.88                      | 3.07                | 2.87      | 2.56      | 3.13        | 1.45    | 2.65          |
| Other loans to individuals .....                   | 2.43                     | 2.79                    | 2.18                         | 2.09                        | 2.48                      | 2.92                | 2.70      | 2.10      | 3.22        | 1.83    | 1.87          |
| All other loans and leases (including farm) .....  | 0.64                     | 0.80                    | 0.76                         | 0.89                        | 0.61                      | 0.52                | 0.55      | 0.87      | 0.60        | 0.99    | 0.48          |
| Total loans and leases .....                       | 2.01                     | 1.80                    | 1.62                         | 1.54                        | 2.16                      | 1.75                | 2.28      | 2.06      | 1.61        | 1.54    | 2.15          |
| <b>Percent of Loans Noncurrent**</b>               |                          |                         |                              |                             |                           |                     |           |           |             |         |               |
| All real estate loans .....                        | 3.80                     | 2.25                    | 2.66                         | 3.49                        | 4.18                      | 2.19                | 4.07      | 4.58      | 4.37        | 2.88    | 4.11          |
| Construction and development .....                 | 8.51                     | 6.65                    | 7.73                         | 9.58                        | 8.38                      | 8.01                | 7.94      | 10.14     | 7.43        | 5.45    | 12.20         |
| Nonfarm nonresidential .....                       | 1.60                     | 2.14                    | 1.64                         | 1.56                        | 1.58                      | 1.95                | 1.45      | 2.12      | 1.49        | 1.13    | 1.15          |
| Multifamily residential real estate .....          | 1.74                     | 2.36                    | 2.00                         | 2.77                        | 1.30                      | 0.91                | 2.52      | 2.33      | 1.41        | 3.06    | 1.01          |
| Home equity loans .....                            | 1.61                     | 0.90                    | 0.79                         | 0.94                        | 1.73                      | 0.66                | 2.40      | 1.55      | 1.35        | 0.48    | 0.82          |
| Other 1-4 family residential .....                 | 4.64                     | 1.60                    | 1.62                         | 2.60                        | 5.51                      | 1.78                | 4.79      | 6.25      | 8.74        | 3.52    | 4.89          |
| Commercial and industrial loans .....              | 1.69                     | 2.09                    | 1.51                         | 1.42                        | 1.74                      | 1.70                | 1.06      | 1.28      | 1.42        | 1.09    | 3.50          |
| Loans to individuals .....                         | 1.77                     | 0.98                    | 0.77                         | 1.14                        | 1.88                      | 2.41                | 1.18      | 1.25      | 2.00        | 0.68    | 2.04          |
| Credit card loans .....                            | 2.73                     | 1.45                    | 1.81                         | 2.33                        | 2.77                      | 2.87                | 2.62      | 2.33      | 2.69        | 1.36    | 2.85          |
| Other loans to individuals .....                   | 1.11                     | 0.97                    | 0.68                         | 0.57                        | 1.20                      | 1.53                | 0.79      | 0.88      | 1.37        | 0.50    | 1.48          |
| All other loans and leases (including farm) .....  | 1.26                     | 0.56                    | 0.57                         | 0.54                        | 1.38                      | 0.76                | 0.49      | 1.25      | 0.39        | 0.64    | 3.55          |
| Total loans and leases .....                       | 2.93                     | 1.96                    | 2.33                         | 2.88                        | 3.05                      | 2.09                | 2.93      | 3.24      | 2.99        | 2.24    | 3.59          |
| <b>Percent of Loans Charged-off (net, YTD)</b>     |                          |                         |                              |                             |                           |                     |           |           |             |         |               |
| All real estate loans .....                        | 0.99                     | 0.32                    | 0.53                         | 0.90                        | 1.14                      | 0.37                | 0.99      | 1.36      | 0.99        | 0.58    | 1.38          |
| Construction and development .....                 | 2.62                     | 1.14                    | 1.76                         | 2.79                        | 2.96                      | 1.40                | 2.23      | 4.24      | 1.96        | 1.53    | 3.91          |
| Nonfarm nonresidential .....                       | 0.24                     | 0.26                    | 0.20                         | 0.21                        | 0.28                      | 0.26                | 0.20      | 0.47      | 0.18        | 0.16    | 0.10          |
| Multifamily residential real estate .....          | 0.40                     | 0.39                    | 0.34                         | 0.62                        | 0.33                      | 0.15                | 0.58      | 0.76      | 0.15        | 0.40    | 0.24          |
| Home equity loans .....                            | 1.58                     | 0.41                    | 0.42                         | 0.67                        | 1.74                      | 0.61                | 1.92      | 1.08      | 2.15        | 0.78    | 2.34          |
| Other 1-4 family residential .....                 | 0.81                     | 0.19                    | 0.27                         | 0.52                        | 0.94                      | 0.25                | 0.66      | 1.19      | 0.67        | 0.27    | 1.46          |
| Commercial and industrial loans .....              | 1.01                     | 0.99                    | 0.93                         | 0.93                        | 1.03                      | 1.80                | 0.62      | 0.74      | 1.65        | 0.72    | 1.19          |
| Loans to individuals .....                         | 3.40                     | 0.87                    | 1.47                         | 2.79                        | 3.56                      | 4.67                | 2.23      | 2.14      | 4.41        | 1.46    | 3.84          |
| Credit card loans .....                            | 5.44                     | 2.76                    | 7.74                         | 5.46                        | 5.42                      | 5.54                | 5.84      | 4.52      | 6.44        | 3.30    | 5.25          |
| Other loans to individuals .....                   | 2.13                     | 0.84                    | 1.00                         | 1.53                        | 2.30                      | 3.30                | 1.35      | 1.30      | 2.72        | 1.01    | 2.97          |
| All other loans and leases (including farm) .....  | 0.46                     | 0.00                    | 0.48                         | 0.66                        | 0.45                      | 0.25                | 0.43      | 0.42      | 0.64        | 0.49    | 0.59          |
| Total loans and leases .....                       | 1.28                     | 0.44                    | 0.63                         | 1.04                        | 1.44                      | 1.43                | 1.00      | 1.22      | 1.59        | 0.68    | 1.71          |
| <b>Loans Outstanding (in billions)</b>             |                          |                         |                              |                             |                           |                     |           |           |             |         |               |
| All real estate loans .....                        | \$4,704.8                | \$75.1                  | \$748.7                      | \$759.5                     | \$3,121.5                 | \$817.2             | \$1,384.0 | \$1,014.7 | \$382.4     | \$347.9 | \$758.6       |
| Construction and development .....                 | 592.2                    | 8.8                     | 133.3                        | 150.2                       | 299.9                     | 65.2                | 204.4     | 109.0     | 50.9        | 84.9    | 77.8          |
| Nonfarm nonresidential .....                       | 1,066.5                  | 22.6                    | 264.7                        | 266.0                       | 513.2                     | 202.1               | 284.1     | 205.0     | 104.7       | 117.4   | 153.2         |
| Multifamily residential real estate .....          | 205.5                    | 1.9                     | 30.5                         | 45.7                        | 127.3                     | 53.2                | 36.0      | 60.3      | 11.0        | 8.5     | 36.5          |
| Home equity loans .....                            | 667.5                    | 2.7                     | 38.5                         | 51.0                        | 575.4                     | 67.9                | 227.1     | 200.1     | 81.0        | 24.7    | 66.7          |
| Other 1-4 family residential .....                 | 2,045.2                  | 30.4                    | 250.8                        | 231.8                       | 1,532.0                   | 424.1               | 612.5     | 422.7     | 113.8       | 101.1   | 371.0         |
| Commercial and industrial loans .....              | 1,496.3                  | 15.4                    | 126.5                        | 161.7                       | 1,192.7                   | 188.7               | 423.3     | 348.9     | 144.2       | 107.2   | 283.9         |
| Loans to individuals .....                         | 1,088.7                  | 7.9                     | 46.7                         | 80.8                        | 953.3                     | 298.2               | 224.1     | 186.8     | 105.8       | 40.7    | 233.1         |
| Credit card loans .....                            | 444.6                    | 0.1                     | 3.4                          | 26.5                        | 414.7                     | 194.9               | 47.9      | 47.6      | 50.5        | 8.3     | 95.4          |
| Other loans to individuals .....                   | 644.1                    | 7.8                     | 43.3                         | 54.4                        | 538.6                     | 103.3               | 176.2     | 139.2     | 55.3        | 32.4    | 137.7         |
| All other loans and leases (including farm) .....  | 591.3                    | 11.2                    | 38.9                         | 38.3                        | 502.9                     | 77.4                | 159.2     | 151.6     | 75.2        | 21.9    | 106.1         |
| Total loans and leases .....                       | 7,881.1                  | 109.6                   | 960.8                        | 1,040.2                     | 5,770.5                   | 1,381.6             | 2,190.6   | 1,702.1   | 707.6       | 517.7   | 1,381.6       |
| <b>Memo: Other Real Estate Owned (in millions)</b> |                          |                         |                              |                             |                           |                     |           |           |             |         |               |
| All other real estate owned .....                  | 26,626.9                 | 663.3                   | 6,505.4                      | 5,260.5                     | 14,197.6                  | 1,751.7             | 8,635.5   | 7,085.4   | 2,941.1     | 2,367.1 | 3,846.1       |
| Construction and development .....                 | 8,734.6                  | 201.7                   | 3,354.5                      | 2,677.5                     | 2,501.0                   | 551.1               | 2,953.0   | 1,524.8   | 999.7       | 1,073.6 | 1,632.3       |
| Nonfarm nonresidential .....                       | 3,370.2                  | 178.1                   | 1,158.0                      | 689.9                       | 1,344.3                   | 261.1               | 1,317.4   | 654.8     | 411.1       | 453.3   | 272.6         |
| Multifamily residential real estate .....          | 1,201.1                  | 16.5                    | 230.5                        | 567.7                       | 386.4                     | 73.0                | 273.9     | 601.0     | 75.8        | 70.9    | 106.5         |
| 1-4 family residential .....                       | 11,482.5                 | 248.9                   | 1,691.2                      | 1,297.5                     | 8,244.9                   | 822.4               | 4,043.3   | 3,497.0   | 773.7       | 689.8   | 1,656.2       |
| Farmland .....                                     | 103.1                    | 15.6                    | 66.5                         | 12.5                        | 8.5                       | 10.2                | 9.3       | 14.9      | 13.0        | 53.4    | 2.3           |
| GNMA properties .....                              | 1,638.1                  | 2.7                     | 5.7                          | 16.5                        | 1,613.2                   | 23.2                | 62.0      | 793.3     | 668.9       | 26.2    | 64.6          |

\* See Table IV-A (page 9) for explanations.

\*\* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

# Quarterly Banking Profile

**TABLE VI-A. Derivatives, All FDIC-Insured Commercial Banks and State-Chartered Savings Banks**

| (dollar figures in millions;<br>notional amounts unless otherwise indicated) | 4th Quarter<br>2008 | 3rd Quarter<br>2008 | 2nd Quarter<br>2008 | 1st Quarter<br>2008 | 4th Quarter<br>2007 | %Change<br>07Q4-<br>08Q4 | Asset Size Distribution    |                                    |                                   |                              |  |  |  |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|--|--|--|
|  |                     |                     |                     |                     |                     |                          | Less than<br>\$100 Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater than<br>\$10 Billion |  |  |  |
| <b>ALL DERIVATIVE HOLDERS</b>  |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Number of institutions reporting derivatives                                 | 1,097               | 1,069               | 1,067               | 1,101               | 1,045               | 5.0                      | 82                         | 660                                | 274                               | 81                           |  |  |  |
| Total assets of institutions reporting derivatives                           | \$10,979,302        | \$10,723,373        | \$10,104,739        | \$10,196,770        | \$9,827,097         | 11.7                     | \$5,873                    | \$285,426                          | \$861,724                         | \$9,826,279                  |  |  |  |
| Total deposits of institutions reporting derivatives                         | 7,089,179           | 6,801,605           | 6,450,947           | 6,473,029           | 6,324,979           | 12.1                     | 4,685                      | 222,353                            | 625,885                           | 6,236,256                    |  |  |  |
| Total derivatives  | 201,095,870         | 177,103,500         | 183,304,204         | 181,600,749         | 166,118,444         | 21.1                     | 246                        | 20,399                             | 77,274                            | 200,997,951                  |  |  |  |
| <b>Derivative Contracts by Underlying Risk Exposure</b>                      |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Interest rate  | 164,419,613         | 137,205,564         | 144,933,736         | 141,879,384         | 129,490,988         | 27.0                     | 233                        | 19,991                             | 70,965                            | 164,328,424                  |  |  |  |
| Foreign exchange*  | 17,522,806          | 19,729,813          | 19,418,964          | 19,738,204          | 17,174,167          | 2.0                      | 0                          | 13                                 | 4,900                             | 17,517,893                   |  |  |  |
| Equity   | 2,206,793           | 2,786,005           | 2,345,171           | 2,411,871           | 2,523,739           | -12.6                    | 13                         | 125                                | 1,025                             | 2,205,630                    |  |  |  |
| Commodity & other (excluding credit derivatives)                             | 1,049,941           | 1,233,751           | 1,137,524           | 1,129,869           | 1,066,704           | -1.6                     | 0                          | 96                                 | 212                               | 1,049,633                    |  |  |  |
| Credit   | 15,896,717          | 16,148,367          | 15,468,809          | 16,441,421          | 15,862,846          | 0.2                      | 0                          | 174                                | 172                               | 15,896,371                   |  |  |  |
| Total  | 201,095,870         | 177,103,500         | 183,304,204         | 181,600,749         | 166,118,444         | 21.1                     | 246                        | 20,399                             | 77,274                            | 200,997,951                  |  |  |  |
| <b>Derivative Contracts by Transaction Type</b>                              |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Swaps  | 131,716,891         | 108,289,314         | 114,178,361         | 112,564,895         | 103,102,442         | 27.8                     | 18                         | 10,551                             | 53,181                            | 131,653,141                  |  |  |  |
| Futures & forwards   | 22,513,629          | 24,483,791          | 23,582,776          | 22,361,907          | 18,866,619          | 19.3                     | 114                        | 3,312                              | 10,458                            | 22,499,745                   |  |  |  |
| Purchased options  | 14,781,871          | 13,485,926          | 14,501,600          | 14,286,015          | 13,771,509          | 7.3                      | 15                         | 1,863                              | 5,084                             | 14,774,909                   |  |  |  |
| Written options  | 15,487,857          | 13,450,146          | 14,415,325          | 14,705,772          | 13,955,063          | 11.0                     | 100                        | 4,492                              | 8,211                             | 15,475,055                   |  |  |  |
| Total  | 184,500,248         | 159,709,178         | 166,678,062         | 163,918,589         | 149,695,634         | 23.3                     | 246                        | 20,217                             | 76,934                            | 184,402,850                  |  |  |  |
| <b>Fair Value of Derivative Contracts</b>                                    |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Interest rate contracts  | 131,172             | 27,299              | 75,946              | 62,578              | 20,075              | 553.4                    | 1                          | -46                                | 218                               | 130,999                      |  |  |  |
| Foreign exchange contracts   | -16,942             | 15,054              | 32,017              | 9,670               | 7,980               | N/M                      | 0                          | 0                                  | -2                                | -16,939                      |  |  |  |
| Equity contracts   | 2,871               | 3,742               | -3,742              | -2,306              | 9,460               | -69.7                    | 0                          | 1                                  | 23                                | 2,847                        |  |  |  |
| Commodity & other (excluding credit derivatives)                             | 3,850               | 3,175               | 5,063               | 3,346               | 1,785               | 115.7                    | 0                          | 3                                  | 1                                 | 3,846                        |  |  |  |
| Credit derivatives as guarantor  | -959,865            | -566,035            | -398,893            | -474,045            | -212,447            | 351.8                    | 0                          | 0                                  | -31                               | -959,834                     |  |  |  |
| Credit derivatives as beneficiary  | 1,030,284           | 603,936             | 428,844             | 501,034             | 222,426             | 363.2                    | 0                          | -2                                 | 3                                 | 1,030,283                    |  |  |  |
| <b>Derivative Contracts by Maturity**</b>                                    |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Interest rate contracts  |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| < 1 year   | 47,150,235          | 40,399,816          | 44,995,182          | 42,621,767          | 39,085,340          | 20.6                     | 93                         | 3,582                              | 14,661                            | 47,131,899                   |  |  |  |
| 1-5 years  | 47,296,403          | 37,760,943          | 39,521,416          | 39,752,501          | 37,222,363          | 27.1                     | 18                         | 7,951                              | 23,856                            | 47,264,578                   |  |  |  |
| > 5 years  | 36,782,312          | 28,785,014          | 29,704,389          | 30,105,752          | 27,724,625          | 32.7                     | 6                          | 3,576                              | 20,103                            | 36,758,627                   |  |  |  |
| Foreign exchange contracts   |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| < 1 year   | 10,867,553          | 12,664,219          | 12,345,486          | 12,524,601          | 11,591,807          | -6.2                     | 0                          | 2                                  | 3,941                             | 10,863,610                   |  |  |  |
| 1-5 years  | 2,171,061           | 1,787,926           | 1,929,554           | 1,924,840           | 1,804,898           | 35.3                     | 0                          | 4                                  | 10                                | 2,171,048                    |  |  |  |
| > 5 years  | 1,086,245           | 676,656             | 734,305             | 714,707             | 618,960             | 75.5                     | 0                          | 0                                  | 10                                | 1,086,236                    |  |  |  |
| Equity contracts   |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| < 1 year   | 408,948             | 508,748             | 504,258             | 509,709             | 473,413             | -13.6                    | 2                          | 34                                 | 104                               | 408,808                      |  |  |  |
| 1-5 years  | 256,093             | 332,908             | 207,513             | 287,805             | 297,459             | -13.9                    | 4                          | 43                                 | 453                               | 255,592                      |  |  |  |
| > 5 years  | 72,337              | 81,967              | 76,283              | 39,960              | 70,485              | 2.6                      | 0                          | 0                                  | 9                                 | 72,328                       |  |  |  |
| Commodity & other contracts  |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| < 1 year   | 264,916             | 294,036             | 315,202             | 369,747             | 284,837             | -7.0                     | 0                          | 0                                  | 153                               | 264,763                      |  |  |  |
| 1-5 years  | 261,768             | 288,860             | 267,344             | 277,956             | 333,631             | -21.5                    | 0                          | 58                                 | 4                                 | 261,706                      |  |  |  |
| > 5 years  | 45,021              | 88,822              | 28,367              | 33,492              | 28,282              | 59.2                     | 0                          | 0                                  | 0                                 | 45,021                       |  |  |  |
| <b>Risk-Based Capital: Credit Equivalent Amount</b>                          |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Total current exposure to tier 1 capital (%)                                 | 106.9               | 60.3                | 57.8                | 67.1                | 45.4                |                          | 0.2                        | 0.8                                | 2.9                               | 122.7                        |  |  |  |
| Total potential future exposure to tier 1 capital (%)                        | 104.4               | 122.3               | 118.5               | 122.7               | 110.1               |                          | 0.1                        | 0.4                                | 0.6                               | 120.1                        |  |  |  |
| Total exposure (credit equivalent amount) to tier 1 capital (%)              | 211.3               | 182.5               | 176.3               | 189.8               | 155.5               |                          | 0.3                        | 1.2                                | 3.6                               | 242.8                        |  |  |  |
| <b>Credit losses on derivatives***</b>                                       | 1,072.0             | 227.0               | 135.0               | 15.0                | 156.0               | 587.2                    | 0.0                        | 1.0                                | 0.0                               | 1,071.0                      |  |  |  |
| <b>HELD FOR TRADING</b>  |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Number of institutions reporting derivatives                                 | 180                 | 185                 | 181                 | 170                 | 166                 | 8.4                      | 8                          | 58                                 | 60                                | 54                           |  |  |  |
| Total assets of institutions reporting derivatives                           | 9,419,152           | 9,234,600           | 8,596,577           | 8,622,316           | 8,306,873           | 13.4                     | 550                        | 26,771                             | 278,403                           | 9,113,427                    |  |  |  |
| Total deposits of institutions reporting derivatives                         | 6,085,026           | 5,855,552           | 5,501,875           | 5,465,449           | 5,354,982           | 13.6                     | 415                        | 20,854                             | 200,263                           | 5,863,434                    |  |  |  |
| <b>Derivative Contracts by Underlying Risk Exposure</b>                      |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Interest rate  | 161,899,150         | 134,667,870         | 142,264,746         | 139,169,309         | 127,128,959         | 27.4                     | 12                         | 1,172                              | 28,111                            | 161,869,854                  |  |  |  |
| Foreign exchange   | 16,747,849          | 18,396,293          | 18,166,799          | 18,413,342          | 16,483,116          | 1.6                      | 0                          | 0                                  | 4,418                             | 16,743,431                   |  |  |  |
| Equity   | 2,195,068           | 2,773,712           | 2,333,980           | 2,403,326           | 2,516,501           | -12.8                    | 0                          | 0                                  | 272                               | 2,194,796                    |  |  |  |
| Commodity & other  | 1,047,507           | 1,230,649           | 1,134,781           | 1,128,387           | 1,065,818           | -1.7                     | 0                          | 0                                  | 85                                | 1,047,421                    |  |  |  |
| Total  | 181,889,574         | 157,068,525         | 163,900,306         | 161,114,364         | 147,194,394         | 23.6                     | 12                         | 1,173                              | 32,887                            | 181,855,502                  |  |  |  |
| <b>Trading Revenues: Cash &amp; Derivative Instruments</b>                   |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Interest rate  | -3,424              | 950                 | 1,503               | 1,724               | -2,531              | 35.3                     | 0                          | 0                                  | 80                                | -3,503                       |  |  |  |
| Foreign exchange   | 4,093               | 3,090               | 2,096               | 2,084               | 1,880               | 117.7                    | 0                          | 0                                  | 20                                | 4,073                        |  |  |  |
| Equity   | -1,230              | -923                | 185                 | -18                 | 217                 | N/M                      | 0                          | 0                                  | 0                                 | -1,230                       |  |  |  |
| Commodity & other (including credit derivatives)                             | -8,618              | 3,305               | -1,944              | -2,791              | -10,145             | -15.1                    | 0                          | 0                                  | -1                                | -8,618                       |  |  |  |
| Total trading revenues   | -9,180              | 6,422               | 1,839               | 998                 | -10,579             | -13.2                    | 0                          | 0                                  | 98                                | -9,278                       |  |  |  |
| <b>Share of Revenue</b>  |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Trading revenues to gross revenues (%)                                       | -8.1                | 4.6                 | 1.3                 | 0.7                 | -7.7                |                          | 0.0                        | 0.0                                | 2.7                               | -8.4                         |  |  |  |
| Trading revenues to net operating revenues (%)                               | 63.6                | 66.9                | 24.8                | 9.7                 | -278.0              |                          | 0.0                        | -0.5                               | -9.1                              | 69.6                         |  |  |  |
| <b>HELD FOR PURPOSES OTHER THAN TRADING</b>                                  |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Number of institutions reporting derivatives                                 | 993                 | 970                 | 975                 | 1,013               | 965                 | 2.9                      | 74                         | 604                                | 241                               | 74                           |  |  |  |
| Total assets of institutions reporting derivatives                           | 10,468,441          | 10,396,653          | 9,806,939           | 9,914,653           | 9,660,649           | 8.4                      | 5,322                      | 260,302                            | 746,169                           | 9,456,647                    |  |  |  |
| Total deposits of institutions reporting derivatives                         | 6,817,770           | 6,589,374           | 6,256,368           | 6,288,937           | 6,210,106           | 9.8                      | 4,270                      | 202,821                            | 541,782                           | 6,068,897                    |  |  |  |
| <b>Derivative Contracts by Underlying Risk Exposure</b>                      |                     |                     |                     |                     |                     |                          |                            |                                    |                                   |                              |  |  |  |
| Interest rate  | 2,520,463           | 2,537,694           | 2,668,989           | 2,710,074           | 2,362,029           | 6.7                      | 221                        | 18,818                             | 42,854                            | 2,458,570                    |  |  |  |
| Foreign exchange   | 76,052              | 87,565              | 94,832              | 84,124              | 131,087             | -42.0                    | 0                          | 5                                  | 314                               | 75,732                       |  |  |  |
| Equity   | 11,725              | 12,293              | 11,191              | 8,545               | 7,238               | 62.0                     | 13                         | 124                                | 753                               | 10,834                       |  |  |  |
| Commodity & other  | 2,434               | 3,101               | 2,743               | 1,482               | 886                 | 174.7                    | 0                          | 96                                 | 126                               | 2,211                        |  |  |  |
| Total notional amount  | 2,610,674           | 2,640,653           | 2,777,756           | 2,804,225           | 2,501,240           | 4.4                      | 234                        | 19,044                             | 44,048                            | 2,547,347                    |  |  |  |

All line items are reported on a quarterly basis.

N/M - Not meaningful

\*Include spot foreign exchange contracts. All other references to foreign exchange contracts in which notional values or fair values are reported exclude spot foreign exchange contracts.

\*\* Derivative contracts subject to the risk-based capital requirements for derivatives.

\*\*\* The reporting of credit losses on derivatives is applicable to all banks filing the FFIEC 031 report form and to those banks filing the FFIEC 041 report form that have \$300 million or more in total assets.

# Quarterly Banking Profile

**TABLE VII-A. Servicing, Securitization, and Asset Sales Activities (All FDIC-Insured Commercial Banks and State-Chartered Savings Banks)**

| (dollar figures in millions)   | 4th Quarter<br>2008 | 3rd Quarter<br>2008 | 2nd Quarter<br>2008 | 1st Quarter<br>2008 | 4th Quarter<br>2007 | %Change<br>07Q4-08Q4 | Asset Size Distribution    |                                    |                                   |                              |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|
|  |                     |                     |                     |                     |                     |                      | Less than<br>\$100 Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater than<br>\$10 Billion |
| <b>Assets Sold and Securitized with Servicing Retained or with Recourse or Other Seller Provided Credit Enhancements</b> |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| Number of institutions reporting securitization activities .....   | 132                 | 128                 | 130                 | 132                 | 126                 | 4.8                  | 15                         | 56                                 | 21                                | 40                           |
| <b>Outstanding Principal Balance by Asset Type</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| 1-4 family residential loans .....   | \$1,256,025         | \$1,217,682         | \$1,087,215         | \$1,068,631         | \$1,056,344         | 18.9                 | \$89                       | \$312                              | \$1,763                           | \$1,253,861                  |
| Home equity loans .....  | 6,692               | 6,880               | 7,822               | 8,341               | 9,353               | -28.5                | 0                          | 0                                  | 50                                | 6,642                        |
| Credit card receivables .....  | 398,261             | 417,832             | 409,883             | 402,171             | 390,035             | 2.1                  | 0                          | 3,466                              | 12,133                            | 382,663                      |
| Auto loans .....   | 12,040              | 13,842              | 6,224               | 7,495               | 8,285               | 45.3                 | 0                          | 0                                  | 110                               | 11,930                       |
| Other consumer loans .....   | 27,427              | 28,090              | 28,870              | 27,787              | 28,542              | -3.9                 | 0                          | 0                                  | 0                                 | 27,427                       |
| Commercial and industrial loans .....  | 9,705               | 11,080              | 12,491              | 12,555              | 14,469              | -32.9                | 0                          | 4                                  | 4,539                             | 5,162                        |
| All other loans, leases, and other assets* .....   | 200,737             | 211,398             | 194,756             | 194,061             | 190,974             | 5.1                  | 42                         | 45                                 | 163                               | 200,487                      |
| Total securitized and sold .....   | 1,910,888           | 1,906,803           | 1,747,262           | 1,721,042           | 1,698,002           | 12.5                 | 131                        | 3,826                              | 18,759                            | 1,888,172                    |
| <b>Maximum Credit Exposure by Asset Type</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| 1-4 family residential loans .....   | 6,898               | 7,514               | 7,121               | 7,019               | 6,912               | -0.2                 | 3                          | 65                                 | 0                                 | 6,830                        |
| Home equity loans .....  | 1,247               | 1,347               | 1,527               | 1,752               | 2,000               | -37.7                | 0                          | 0                                  | 0                                 | 1,247                        |
| Credit card receivables .....  | 23,231              | 24,039              | 23,129              | 21,412              | 19,629              | 18.4                 | 0                          | 430                                | 1,404                             | 21,397                       |
| Auto loans .....   | 707                 | 447                 | 352                 | 405                 | 380                 | 86.1                 | 0                          | 0                                  | 9                                 | 698                          |
| Other consumer loans .....   | 1,537               | 1,428               | 1,417               | 1,406               | 1,379               | 11.5                 | 0                          | 0                                  | 0                                 | 1,537                        |
| Commercial and industrial loans .....  | 137                 | 170                 | 311                 | 276                 | 603                 | -77.3                | 1                          | 27                                 | 38                                | 71                           |
| All other loans, leases, and other assets .....  | 725                 | 954                 | 1,128               | 2,297               | 2,847               | -74.5                | 13                         | 253                                | 9                                 | 451                          |
| Total credit exposure .....  | 34,482              | 35,900              | 34,984              | 34,568              | 33,749              | 2.2                  | 17                         | 775                                | 1,460                             | 32,230                       |
| Total unused liquidity commitments provided to institution's own securitizations .....                                   | 830                 | 1,273               | 1,902               | 2,944               | 4,686               | -82.3                | 0                          | 0                                  | 0                                 | 830                          |
| <b>Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| 1-4 family residential loans .....   | 4.4                 | 3.8                 | 2.8                 | 2.5                 | 2.8                 |                      | 1.2                        | 0.0                                | 1.8                               | 4.4                          |
| Home equity loans .....  | 1.4                 | 1.3                 | 0.6                 | 0.7                 | 0.8                 |                      | 0.0                        | 0.0                                | 8.1                               | 1.4                          |
| Credit card receivables .....  | 2.9                 | 2.5                 | 2.1                 | 2.2                 | 2.2                 |                      | 0.0                        | 1.7                                | 1.9                               | 3.0                          |
| Auto loans .....   | 2.5                 | 2.1                 | 2.2                 | 1.9                 | 2.4                 |                      | 0.0                        | 0.0                                | 1.0                               | 2.5                          |
| Other consumer loans .....   | 3.9                 | 3.2                 | 2.7                 | 2.5                 | 3.1                 |                      | 0.0                        | 0.0                                | 0.0                               | 3.9                          |
| Commercial and industrial loans .....  | 2.6                 | 1.6                 | 1.3                 | 1.2                 | 1.0                 |                      | 0.0                        | 2.5                                | 5.2                               | 0.2                          |
| All other loans, leases, and other assets .....  | 0.6                 | 0.2                 | 0.3                 | 0.1                 | 0.1                 |                      | 0.0                        | 0.0                                | 0.0                               | 0.6                          |
| Total loans, leases, and other assets .....  | 3.7                 | 3.0                 | 2.3                 | 2.2                 | 2.4                 |                      | 0.8                        | 1.6                                | 2.7                               | 3.7                          |
| <b>Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)</b>  |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| 1-4 family residential loans .....   | 4.5                 | 3.2                 | 1.9                 | 1.9                 | 1.6                 |                      | 1.6                        | 0.0                                | 0.8                               | 4.5                          |
| Home equity loans .....  | 1.2                 | 0.7                 | 0.7                 | 0.7                 | 0.5                 |                      | 0.0                        | 0.0                                | 4.2                               | 1.2                          |
| Credit card receivables .....  | 2.5                 | 2.1                 | 2.1                 | 2.1                 | 1.9                 |                      | 0.0                        | 1.4                                | 1.6                               | 2.6                          |
| Auto loans .....   | 0.3                 | 0.2                 | 0.3                 | 0.3                 | 0.4                 |                      | 0.0                        | 0.0                                | 0.3                               | 0.3                          |
| Other consumer loans .....   | 3.7                 | 2.9                 | 2.4                 | 2.3                 | 2.4                 |                      | 0.0                        | 0.0                                | 0.0                               | 3.7                          |
| Commercial and industrial loans .....  | 2.1                 | 1.5                 | 1.3                 | 1.1                 | 0.9                 |                      | 0.0                        | 0.0                                | 4.2                               | 0.3                          |
| All other loans, leases, and other assets .....  | 0.4                 | 0.2                 | 0.2                 | 0.2                 | 0.1                 |                      | 0.0                        | 0.0                                | 0.0                               | 0.4                          |
| Total loans, leases, and other assets .....  | 3.6                 | 2.6                 | 1.8                 | 1.8                 | 1.5                 |                      | 1.1                        | 1.2                                | 2.2                               | 3.6                          |
| <b>Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %)</b>                                 |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| 1-4 family residential loans .....   | 0.3                 | 0.3                 | 0.1                 | 0.0                 | 0.1                 |                      | 0.0                        | 0.0                                | 0.2                               | 0.3                          |
| Home equity loans .....  | 0.1                 | 0.4                 | 0.2                 | 0.1                 | 0.2                 |                      | 0.0                        | 0.0                                | 6.3                               | 0.1                          |
| Credit card receivables .....  | 6.4                 | 4.4                 | 2.8                 | 1.4                 | 4.4                 |                      | 0.0                        | 4.0                                | 4.1                               | 6.5                          |
| Auto loans .....   | 0.8                 | 1.3                 | 0.9                 | 0.4                 | 1.3                 |                      | 0.0                        | 0.0                                | 0.6                               | 0.8                          |
| Other consumer loans .....   | 0.8                 | 0.6                 | 0.4                 | 0.2                 | 1.3                 |                      | 0.0                        | 0.0                                | 0.0                               | 0.8                          |
| Commercial and industrial loans .....  | 5.9                 | 3.6                 | 1.9                 | 0.8                 | 2.0                 |                      | 0.0                        | 0.0                                | 12.1                              | 0.4                          |
| All other loans, leases, and other assets .....  | 0.0                 | 0.0                 | 0.0                 | 0.0                 | 0.0                 |                      | 0.0                        | 0.0                                | 0.0                               | 0.0                          |
| Total loans, leases, and other assets .....  | 1.6                 | 1.2                 | 0.7                 | 0.4                 | 1.1                 |                      | 0.0                        | 3.6                                | 5.6                               | 1.5                          |
| <b>Seller's Interests in Institution's Own Securitizations - Carried as Loans</b>  |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| Home equity loans .....  | 124                 | 166                 | 435                 | 282                 | 347                 | -64.3                | 0                          | 0                                  | 0                                 | 124                          |
| Credit card receivables .....  | 113,017             | 98,826              | 82,604              | 73,418              | 86,748              | 30.3                 | 0                          | 258                                | 4,457                             | 108,302                      |
| Commercial and industrial loans .....  | 436                 | 636                 | 3,506               | 3,263               | 7,671               | -94.3                | 0                          | 0                                  | 386                               | 50                           |
| <b>Seller's Interests in Institution's Own Securitizations - Carried as Securities</b>                                   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| Home equity loans .....  | 5                   | 6                   | 7                   | 9                   | 9                   | -44.4                | 0                          | 0                                  | 0                                 | 5                            |
| Credit card receivables .....  | 584                 | 623                 | 403                 | 377                 | 436                 | 33.9                 | 0                          | 8                                  | 576                               | 0                            |
| Commercial and industrial loans .....  | 16                  | 15                  | 1                   | 1                   | 2                   | 700.0                | 0                          | 0                                  | 0                                 | 16                           |
| <b>Assets Sold with Recourse and Not Securitized</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| Number of institutions reporting asset sales .....   | 788                 | 786                 | 776                 | 760                 | 760                 | 3.7                  | 156                        | 476                                | 109                               | 47                           |
| <b>Outstanding Principal Balance by Asset Type</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| 1-4 family residential loans .....   | 66,506              | 68,709              | 65,959              | 60,386              | 57,612              | 15.4                 | 1,060                      | 8,473                              | 3,413                             | 53,560                       |
| Home equity, credit card receivables, auto, and other consumer loans .....   | 1,477               | 1,611               | 1,786               | 1,886               | 637                 | 131.9                | 0                          | 30                                 | 67                                | 1,379                        |
| Commercial and industrial loans .....  | 6,689               | 7,314               | 4,794               | 4,579               | 4,728               | 41.5                 | 0                          | 60                                 | 0                                 | 6,629                        |
| All other loans, leases, and other assets .....  | 42,613              | 41,501              | 33,191              | 29,134              | 26,983              | 57.9                 | 1                          | 71                                 | 431                               | 42,110                       |
| Total sold and not securitized .....   | 117,285             | 119,135             | 105,730             | 95,985              | 89,960              | 30.4                 | 1,062                      | 8,634                              | 3,911                             | 103,678                      |
| <b>Maximum Credit Exposure by Asset Type</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| 1-4 family residential loans .....   | 15,433              | 15,735              | 14,678              | 14,070              | 14,780              | 4.4                  | 104                        | 1,391                              | 1,829                             | 12,109                       |
| Home equity, credit card receivables, auto, and other consumer loans .....   | 189                 | 203                 | 240                 | 165                 | 604                 | -68.7                | 0                          | 12                                 | 64                                | 113                          |
| Commercial and industrial loans .....  | 5,617               | 6,180               | 3,614               | 3,335               | 3,393               | 65.5                 | 0                          | 50                                 | 0                                 | 5,567                        |
| All other loans, leases, and other assets .....  | 9,290               | 11,517              | 8,541               | 8,112               | 7,854               | 18.3                 | 1                          | 13                                 | 72                                | 9,203                        |
| Total credit exposure .....  | 30,528              | 33,634              | 27,072              | 25,682              | 26,631              | 14.6                 | 105                        | 1,465                              | 1,966                             | 26,992                       |
| <b>Support for Securitization Facilities Sponsored by Other Institutions</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| Number of institutions reporting securitization facilities sponsored by others .....                                     | 53                  | 50                  | 48                  | 49                  | 49                  | 8.2                  | 21                         | 22                                 | 5                                 | 5                            |
| Total credit exposure .....  | 3,328               | 18,464              | 12,668              | 6,825               | 2,843               | 17.1                 | 9                          | 68                                 | 55                                | 3,197                        |
| Total unused liquidity commitments .....   | 1,416               | 3,531               | 5,492               | 6,778               | 10,314              | -86.3                | 0                          | 0                                  | 0                                 | 1,416                        |
| <b>Other</b>   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| Assets serviced for others** .....   | 5,615,174           | 5,528,963           | 3,921,915           | 3,813,285           | 3,798,682           | 47.8                 | 3,916                      | 66,033                             | 82,259                            | 5,462,966                    |
| Asset-backed commercial paper conduits   |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                              |
| Credit exposure to conduits sponsored by institutions and others .....   | 23,064              | 20,830              | 21,083              | 22,332              | 22,226              | 3.8                  | 2                          | 0                                  | 399                               | 22,663                       |
| Unused liquidity commitments to conduits sponsored by institutions and others .....                                      | 297,908             | 311,683             | 339,007             | 354,525             | 380,709             | -21.7                | 0                          | 27                                 | 0                                 | 297,881                      |
| Net servicing income (for the quarter) .....   | -334                | 4,110               | 7,280               | 3,532               | 2,718               | -112.3               | 3                          | 131                                | 41                                | -509                         |
| Net securitization income (for the quarter) .....  | 2,391               | 3,119               | 4,205               | 5,541               | 5,008               | -52.3                | 0                          | 57                                 | 214                               | 2,121                        |
| Total credit exposure to Tier 1 capital (%)*** .....   | 6.8                 | 9.0                 | 7.4                 | 6.6                 | 6.4                 |                      | 0.60                       | 1.80                               | 2.60                              | 8.70                         |

\*Line item titled "All other loans and all leases" for quarters prior to March 31, 2006

\*\*The amount of financial assets serviced for others, other than closed-end 1-4 family residential mortgages, is reported when these assets are greater than \$10 million

\*\*\*Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above

# Quarterly Banking Profile

**TABLE VIII-A. Trust Services (All FDIC-Insured Institutions)**

| (dollar figures in millions)   | All Insured Institutions |                |                |                |                       | Asset Size Distribution    |                                    |                                   |                              |
|--|--------------------------|----------------|----------------|----------------|-----------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|
|  | Dec 31<br>2008           | Dec 31<br>2007 | Dec 31<br>2006 | Dec 31<br>2005 | % Change<br>2007-2008 | Less than<br>\$100 Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater than<br>\$10 Billion |
| Number of institutions reporting .....                                     | 8,305                    | 8,534          | 8,680          | 8,833          | -2.7                  | 3,131                      | 4,498                              | 562                               | 114                          |
| Number of institutions with fiduciary powers .....                         | 2,323                    | 2,410          | 2,463          | 2,515          | -3.6                  | 487                        | 1,417                              | 340                               | 79                           |
| Commercial banks .....   | 2,129                    | 2,216          | 2,268          | 2,312          | -3.9                  | 466                        | 1,315                              | 280                               | 68                           |
| Savings institutions .....   | 194                      | 194            | 195            | 203            | 0.0                   | 21                         | 102                                | 60                                | 11                           |
| Number of institutions exercising fiduciary powers .....                   | 1,723                    | 1,785          | 1,826          | 1,866          | -3.5                  | 304                        | 1,065                              | 285                               | 69                           |
| Commercial banks .....   | 1,572                    | 1,633          | 1,672          | 1,708          | -3.7                  | 286                        | 990                                | 237                               | 59                           |
| Savings institutions .....   | 151                      | 152            | 154            | 158            | -0.7                  | 18                         | 75                                 | 48                                | 10                           |
| Number of institutions reporting fiduciary activity .....                  | 1,634                    | 1,695          | 1,739          | 1,791          | -3.6                  | 280                        | 1,013                              | 275                               | 66                           |
| Commercial banks .....   | 1,489                    | 1,552          | 1,593          | 1,642          | -4.1                  | 262                        | 942                                | 229                               | 56                           |
| Savings institutions .....   | 145                      | 143            | 146            | 149            | 1.4                   | 18                         | 71                                 | 46                                | 10                           |
| <b>Fiduciary and related assets - managed assets</b>                       |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Personal trust and agency accounts .....                                   | 617,051                  | 800,549        | 764,623        | 735,821        | -22.9                 | 7,162                      | 62,569                             | 68,272                            | 479,048                      |
| Noninterest-bearing deposits .....   | 16                       | -53            | -4             | 364            | -130.2                | 60                         | 76                                 | 42                                | -163                         |
| Interest-bearing deposits .....  | 11,908                   | 11,547         | 9,369          | 8,012          | 3.1                   | 204                        | 2,963                              | 1,811                             | 6,929                        |
| U.S. Treasury and U.S. Government agency obligations .....                 | 26,787                   | 31,619         | 32,873         | 34,664         | -15.3                 | 390                        | 3,242                              | 3,970                             | 19,184                       |
| State, county and municipal obligations .....                              | 65,305                   | 67,131         | 70,909         | 73,332         | -2.7                  | 629                        | 5,629                              | 7,423                             | 51,625                       |
| Money market mutual funds .....  | 56,937                   | 51,248         | 38,134         | 33,640         | 11.1                  | 734                        | 4,349                              | 6,525                             | 45,328                       |
| Other short-term obligations .....   | 9,657                    | 21,935         | 9,566          | 8,601          | -56.0                 | 36                         | 202                                | 290                               | 9,129                        |
| Other notes and bonds .....  | 23,352                   | 25,489         | 26,896         | 27,268         | -8.4                  | 579                        | 2,013                              | 2,394                             | 18,365                       |
| Common and preferred stocks .....  | 348,556                  | 522,846        | 514,963        | 491,075        | -33.3                 | 3,665                      | 27,810                             | 37,791                            | 279,289                      |
| Real estate mortgages .....  | 1,565                    | 1,530          | 1,604          | 1,476          | 2.3                   | 24                         | 240                                | 264                               | 1,037                        |
| Real estate .....  | 36,028                   | 33,930         | 31,915         | 29,721         | 6.2                   | 627                        | 4,237                              | 4,209                             | 26,955                       |
| Miscellaneous assets .....   | 37,111                   | 33,304         | 27,941         | 27,520         | 11.4                  | 402                        | 11,788                             | 3,551                             | 21,370                       |
| Retirement related trust and agency accounts:                              |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Employee benefit - defined contribution .....                              | 284,232                  | 328,909        | 307,194        | 226,768        | -13.6                 | 59,279                     | 50,541                             | 9,045                             | 165,367                      |
| Employee benefit - defined benefit .....                                   | 697,874                  | 1,060,288      | 1,153,825      | 1,067,293      | -34.2                 | 5,786                      | 46,504                             | 15,353                            | 630,232                      |
| Other retirement accounts .....  | 330,459                  | 414,725        | 309,451        | 249,466        | -20.3                 | 5,676                      | 11,034                             | 11,623                            | 302,125                      |
| Corporate trust and agency accounts .....                                  | 26,504                   | 25,273         | 31,457         | 42,634         | 4.9                   | 22                         | 806                                | 3,740                             | 21,936                       |
| Investment management agency accounts .....                                | 1,228,849                | 1,592,394      | 1,505,171      | 1,311,707      | -22.8                 | 25,316                     | 108,313                            | 92,937                            | 1,002,283                    |
| Other fiduciary accounts .....   | 153,159                  | 235,544        | 320,331        | 266,515        | -35.0                 | 285                        | 2,231                              | 4,277                             | 146,365                      |
| Total managed fiduciary accounts:  |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Assets .....   | 3,338,127                | 4,457,682      | 4,392,051      | 3,900,205      | -25.1                 | 103,526                    | 281,998                            | 205,247                           | 2,747,356                    |
| Number of accounts .....   | 1,454,720                | 1,528,303      | 2,998,641      | 2,915,478      | -4.8                  | 84,655                     | 206,333                            | 244,307                           | 919,425                      |
| <b>Fiduciary and related assets - non-managed assets</b>                   |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Personal trust and agency accounts .....                                   | 306,889                  | 355,388        | 309,352        | 286,571        | -13.6                 | 2,396                      | 16,525                             | 13,892                            | 274,077                      |
| Retirement related trust and agency accounts:                              |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Employee benefit - defined contribution .....                              | 1,481,594                | 1,822,860      | 1,779,446      | 1,525,676      | -18.7                 | 323,589                    | 23,245                             | 68,534                            | 1,066,226                    |
| Employee benefit - defined benefit .....                                   | 3,983,183                | 5,333,411      | 4,542,941      | 3,567,204      | -25.3                 | 11,194                     | 26,043                             | 51,808                            | 3,894,138                    |
| Other retirement accounts .....  | 1,686,294                | 2,098,451      | 2,121,766      | 2,108,630      | -19.6                 | 630,225                    | 29,839                             | 12,595                            | 1,013,634                    |
| Corporate trust and agency accounts .....                                  | 3,935,209                | 4,427,672      | 2,961,810      | 2,567,357      | -11.1                 | 4,756                      | 12,282                             | 583,309                           | 3,334,862                    |
| Other fiduciary accounts .....   | 2,596,720                | 3,366,857      | 3,170,657      | 2,580,461      | -22.9                 | 2,552                      | 14,444                             | 2,001                             | 2,577,723                    |
| Total non-managed fiduciary accounts:                                      |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Assets .....   | 13,989,890               | 17,404,640     | 14,885,973     | 12,635,898     | -19.6                 | 974,712                    | 122,378                            | 732,140                           | 12,160,660                   |
| Number of accounts .....   | 21,363,550               | 16,446,110     | 16,049,836     | 15,713,903     | 29.9                  | 11,563,773                 | 2,636,363                          | 259,846                           | 6,903,568                    |
| Custody and safekeeping accounts:  |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Assets .....   | 46,044,794               | 58,167,533     | 48,360,083     | 36,798,211     | -20.8                 | 203,353                    | 711,600                            | 559,729                           | 44,570,112                   |
| Number of accounts .....   | 10,665,604               | 11,327,738     | 11,207,747     | 11,513,998     | -5.8                  | 608,939                    | 7,532,653                          | 881,750                           | 1,642,262                    |
| <b>Fiduciary and related services income</b>                               |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Personal trust and agency accounts .....                                   | 4,895                    | 5,766          | 5,147          | 5,244          | -15.1                 | 59                         | 398                                | 529                               | 3,909                        |
| Retirement related trust and agency accounts:                              |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Employee benefit - defined contribution .....                              | 1,122                    | 1,183          | 1,305          | 1,187          | -5.2                  | 163                        | 195                                | 130                               | 634                          |
| Employee benefit - defined benefit .....                                   | 1,999                    | 1,803          | 1,949          | 1,789          | 10.9                  | 40                         | 198                                | 52                                | 1,708                        |
| Other retirement accounts .....  | 1,005                    | 1,037          | 871            | 756            | -3.1                  | 66                         | 66                                 | 101                               | 771                          |
| Corporate trust and agency accounts .....                                  | 2,529                    | 2,439          | 2,054          | 1,877          | 3.7                   | 0                          | 31                                 | 473                               | 2,025                        |
| Investment management agency accounts .....                                | 4,451                    | 4,160          | 3,683          | 3,562          | 7.0                   | 138                        | 573                                | 483                               | 3,257                        |
| Other fiduciary accounts .....   | 2,133                    | 2,156          | 1,440          | 1,350          | -1.1                  | 3                          | 21                                 | 29                                | 2,079                        |
| Custody and safekeeping accounts .....                                     | 8,337                    | 8,165          | 8,011          | 7,167          | 2.1                   | 163                        | 423                                | 426                               | 7,324                        |
| Other fiduciary and related services income .....                          | 3,271                    | 2,424          | 1,855          | 1,577          | 34.9                  | 7                          | 174                                | 62                                | 3,028                        |
| Total gross fiduciary and related services income .....                    | 30,018                   | 29,292         | 26,142         | 24,784         | 2.5                   | 711                        | 2,196                              | 2,306                             | 24,805                       |
| Less: Expenses .....   | 20,563                   | 20,545         | 19,096         | 17,267         | 0.1                   | 407                        | 1,575                              | 1,528                             | 17,053                       |
| Less: Net losses from fiduciary and related services .....                 | 956                      | 364            | 152            | 190            | 162.6                 | 0                          | 17                                 | 9                                 | 930                          |
| Plus: Intracompany income credits for fiduciary and related services ..... | 3,497                    | 4,553          | 2,897          | 1,302          | -23.2                 | 0                          | 35                                 | 235                               | 3,228                        |
| Net fiduciary and related services income .....                            | 11,717                   | 12,772         | 9,963          | 8,426          | -8.3                  | 234                        | 521                                | 981                               | 9,980                        |
| <b>Collective investment funds and common trust funds (market value)</b>   |                          |                |                |                |                       |                            |                                    |                                   |                              |
| Domestic equity funds .....  | 274,285                  | 448,230        | 449,079        | 478,087        | -38.8                 | 8,813                      | 2,953                              | 5,014                             | 257,505                      |
| International/global equity funds .....                                    | 101,311                  | 206,551        | 171,114        | 129,572        | -51.0                 | 693                        | 2,049                              | 439                               | 98,130                       |
| Stock/bond blend funds .....   | 122,423                  | 215,849        | 217,734        | 77,526         | -43.3                 | 2,082                      | 247                                | 1,576                             | 118,519                      |
| Taxable bond funds .....   | 160,206                  | 214,159        | 185,398        | 248,050        | -25.2                 | 730                        | 2,794                              | 1,854                             | 154,828                      |
| Municipal bond funds .....   | 6,007                    | 8,328          | 8,695          | 60,308         | -27.9                 | 26                         | 450                                | 370                               | 5,161                        |
| Short term investments/money market funds .....                            | 307,007                  | 395,025        | 352,341        | 365,759        | -22.3                 | 3,002                      | 120                                | 637                               | 303,248                      |
| Specialty/other funds .....  | 94,428                   | 121,628        | 96,902         | 102,112        | -22.4                 | 29,416                     | 5,736                              | 1,369                             | 57,907                       |
| Total collective investment funds .....                                    | 1,065,665                | 1,609,768      | 1,481,262      | 1,461,414      | -33.8                 | 44,762                     | 14,349                             | 11,258                            | 995,297                      |

## INSURANCE FUND INDICATORS

- ***The DIF Balance Declines by \$16 Billion, and Insured Deposits Grow by 4.7 Percent in the Fourth Quarter***
- ***DIF Reserve Ratio Declines to 0.40 Percent***
- ***Twenty-five Insured Institutions Fail During the Year; Another Five Insured Institutions under the Same Holding Company Receive Assistance***

During the fourth quarter of 2008, total assets of the nation's 8,305 FDIC-insured commercial banks and savings institutions increased by \$280.2 billion (2.1 percent). Total deposits increased by \$307.9 billion, more than the increase in assets. Total domestic deposits grew by 3.8 percent, higher than any quarterly growth rate observed since the fourth quarter of 2000. Brokered deposits increased by 15.3 percent (\$101.4 billion), the largest quarterly percentage increase since the third quarter of 2000 when brokered deposits increased by 15.6 percent. Ten institutions accounted for more than two-thirds of this growth. Domestic time deposits increased by 1.8 percent, while other domestic interest-bearing deposits increased by 6.4 percent and domestic non-interest-bearing deposits increased by 2.2 percent.

For all of 2008, total domestic deposits increased by 8.4 percent, with domestic interest-bearing deposits rising by 6.2 percent and domestic non-interest-bearing deposits increasing by 19.4 percent. Foreign office deposits increased by 2.4 percent (\$36.7 billion), and Federal Home Loan Bank (FHLB) advances decreased by 2.7 percent (\$21.5 billion). The share of assets funded by domestic deposits increased from 53.0 percent to 54.1 percent. By contrast, foreign deposits as a percent of total assets declined during the year from 11.5 percent to 11.1 percent, and the share of asset funding attributable to FHLB advances decreased from 6.2 percent to 5.7 percent.

Estimated insured deposits (including U.S. branches of foreign banks) increased by 4.7 percent during the fourth quarter of 2008, up from a 1.8 percent increase in the previous quarter. For all of 2008, insured deposits increased by 10.9 percent, up from a 3.3 percent increase in 2007. For institutions reporting as of December 31, 2008, and September 30, 2008, insured deposits increased during the fourth quarter at 5,332 institutions (64 percent), decreased at 2,922 institutions (35 percent), and remained unchanged at 36 institutions.

The Deposit Insurance Fund (DIF) decreased by \$15.7 billion during the fourth quarter to \$18,889 million (unaudited). Accrued assessment income added \$996 million to the DIF during the fourth quarter. Interest earned, combined with realized and unrealized gains (losses) on securities added \$1.13 billion to the insurance fund. Operating and other expenses, net of other revenue, reduced the fund by \$275 million. The reduction in the DIF during the quarter was primarily due to \$17.6 billion in loss provisions for actual and anticipated insured institution failures. For all of 2008, the DIF balance fell by \$33.5 billion (64 percent), primarily because of \$40.2 billion in loss provisions.

The DIF's reserve ratio equaled 0.40 percent on December 31, 2008, which was 36 basis points lower than the previous quarter. During 2008, the reserve ratio decreased by 82 basis points, from 1.22 percent at year-end 2007. The December figure is the lowest reserve ratio for a combined bank and thrift insurance fund since June 30, 1993, when the reserve ratio was 0.28 percent.

Twelve FDIC-insured institutions with combined assets of \$24.4 billion failed during the fourth quarter of 2008, at an estimated cost to the DIF of \$4.5 billion. For all of 2008, 25 FDIC-insured institutions with assets of \$372 billion failed, the largest number of failures since 1993 when 41 institutions with combined assets of \$3.8 billion failed (excluding thrifts resolved by the RTC). In 2008, five banks owned by Citigroup with assets of \$1.3 trillion received assistance under a systemic risk determination.

# Quarterly Banking Profile

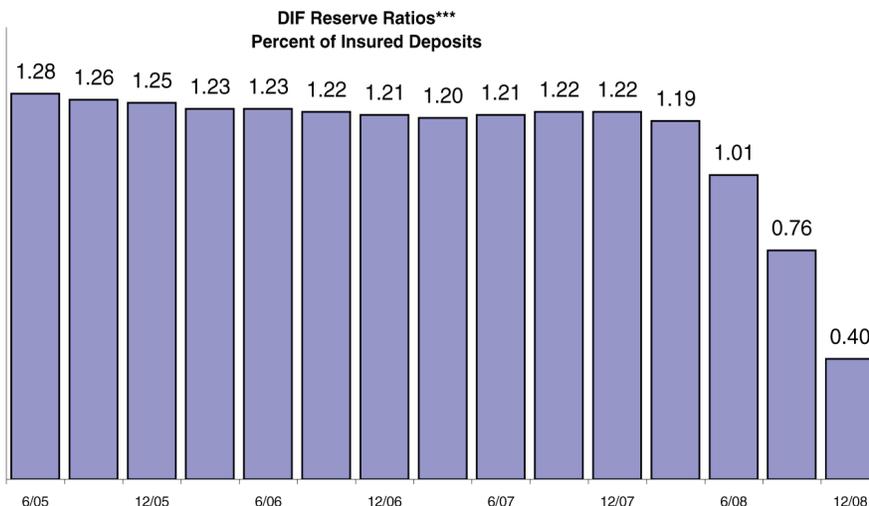
**Table I-B. Insurance Fund Balances and Selected Indicators**

(dollar figures in millions)

|   | Deposit Insurance Fund |                   |                   |                   |                  |                  |                  |                  |                  |                  |                  |  |
|---|------------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
|   | 4th Quarter 2008*      | 3rd Quarter 2008* | 2nd Quarter 2008* | 1st Quarter 2008* | 4th Quarter 2007 | 3rd Quarter 2007 | 2nd Quarter 2007 | 1st Quarter 2007 | 4th Quarter 2006 | 3rd Quarter 2006 | 2nd Quarter 2006 |  |
| <b>Beginning Fund Balance</b> .....                           | \$34,588               | \$45,217          | \$52,843          | \$52,413          | \$51,754         | \$51,227         | \$50,745         | \$50,165         | \$49,992         | \$49,564         | \$49,193         |  |
| <b>Changes in Fund Balance:</b>                               |                        |                   |                   |                   |                  |                  |                  |                  |                  |                  |                  |  |
| Assessments earned .....                                      | 996                    | 881               | 640               | 448               | 239              | 170              | 140              | 94               | 10               | 10               | 7                |  |
| Interest earned on investment securities .....                | 277                    | 526               | 651               | 618               | 585              | 640              | 748              | 567              | 476              | 622              | 665              |  |
| Realized Gain on Sale of Investments .....                    | 302                    | 473               | 0                 | 0                 | 0                | 0                | 0                | 0                | 0                | 0                | 0                |  |
| Operating expenses .....                                      | 290                    | 249               | 256               | 238               | 262              | 243              | 248              | 239              | 248              | 237              | 242              |  |
| Provision for insurance losses .....                          | 17,550                 | 11,930            | 10,221            | 525               | 39               | 132              | -3               | -73              | 49               | -50              | -6               |  |
| All other income, net of expenses .....                       | 15                     | 16                | 1                 | 0                 | -2               | 24               | 1                | 4                | 5                | 1                | 12               |  |
| Unrealized gain/(loss) on available-for-sale securities ..... | 551                    | -346              | 1,559             | 127               | 138              | 68               | -162             | 81               | -21              | -18              | -77              |  |
| Total fund balance change .....                               | -15,699                | -10,629           | -7,626            | 430               | 659              | 527              | 482              | 580              | 173              | 428              | 371              |  |
| <b>Ending Fund Balance</b> .....                              | 18,889                 | 34,588            | 45,217            | 52,843            | 52,413           | 51,754           | 51,227           | 50,745           | 50,165           | 49,992           | 49,564           |  |
| Percent change from four quarters earlier .....               | -63.96                 | -33.17            | -11.73            | 4.13              | 4.48             | 3.52             | 3.36             | 3.15             | 3.23             | 3.35             | 3.21             |  |
| <b>Reserve Ratio (%)</b> .....                                | 0.40                   | 0.76              | 1.01              | 1.19              | 1.22             | 1.22             | 1.21             | 1.20             | 1.21             | 1.22             | 1.23             |  |
| <b>Estimated Insured Deposits**</b> .....                     | 4,759,995              | 4,547,688         | 4,467,614         | 4,437,862         | 4,292,163        | 4,242,607        | 4,235,044        | 4,245,266        | 4,153,786        | 4,100,013        | 4,040,353        |  |
| Percent change from four quarters earlier .....               | 10.90                  | 7.19              | 5.49              | 4.54              | 3.33             | 3.48             | 4.82             | 6.08             | 6.76             | 7.02             | 7.52             |  |
| <b>Domestic Deposits</b> .....                                | 7,505,354              | 7,230,331         | 7,036,247         | 7,076,719         | 6,921,686        | 6,747,998        | 6,698,886        | 6,702,598        | 6,640,105        | 6,484,372        | 6,446,868        |  |
| Percent change from four quarters earlier .....               | 8.43                   | 7.15              | 5.04              | 5.58              | 4.24             | 4.07             | 3.91             | 5.71             | 6.59             | 6.76             | 8.68             |  |
| <b>Number of institutions reporting</b> .....                 | 8,315                  | 8,393             | 8,462             | 8,505             | 8,545            | 8,570            | 8,625            | 8,661            | 8,692            | 8,755            | 8,790            |  |

\* For 2008, preliminary unaudited fund data, which are subject to change.

\*\* The Emergency Economic Stabilization Act of 2008 directs the FDIC not to consider the temporary coverage increase to \$250,000 in setting assessments. Therefore, we do not include the additional insured deposits in calculating the fund reserve ratio, which guides our assessment planning. If Congress were to decide to leave the \$250,000 coverage level in place indefinitely, however, it would be necessary to account for the increase in insured deposits to determine the appropriate level of the fund.



**Deposit Insurance Fund Balance and Insured Deposits \*\*\* (\$ Millions)**

|       | DIF Balance | DIF-Insured Deposits |
|-------|-------------|----------------------|
| 6/05  | 48,023      | 3,757,728            |
| 9/05  | 48,373      | 3,830,950            |
| 12/05 | 48,597      | 3,890,941            |
| 3/06  | 49,193      | 4,001,906            |
| 6/06  | 49,564      | 4,040,353            |
| 9/06  | 49,992      | 4,100,013            |
| 12/06 | 50,165      | 4,153,786            |
| 3/07  | 50,745      | 4,245,266            |
| 6/07  | 51,227      | 4,235,044            |
| 9/07  | 51,754      | 4,242,607            |
| 12/07 | 52,413      | 4,292,163            |
| 3/08  | 52,843      | 4,437,862            |
| 6/08  | 45,217      | 4,467,614            |
| 9/08  | 34,588      | 4,547,688            |
| 12/08 | 18,889      | 4,759,995            |

\*\*\* Prior to 2006, amounts represent sum of separate BIF and SAIF amounts.

**Table II-B. Problem Institutions and Failed/Assisted Institutions**

(dollar figures in millions)

|                                  | 2008        | 2007     | 2006    | 2005    | 2004     | 2003     |
|----------------------------------|-------------|----------|---------|---------|----------|----------|
| <b>Problem Institutions</b>      |             |          |         |         |          |          |
| Number of institutions .....     | 252         | 76       | 50      | 52      | 80       | 116      |
| Total assets .....               | \$159,405   | \$22,189 | \$8,265 | \$6,607 | \$28,250 | \$29,917 |
| <b>Failed Institutions</b>       |             |          |         |         |          |          |
| Number of institutions .....     | 25          | 3        | 0       | 0       | 4        | 3        |
| Total assets .....               | \$371,945   | \$2,615  | \$0     | \$0     | \$170    | \$947    |
| <b>Assisted Institutions****</b> |             |          |         |         |          |          |
| Number of institutions .....     | 5           | 0        | 0       | 0       | 0        | 0        |
| Total assets .....               | \$1,306,042 | 0        | 0       | 0       | 0        | 0        |

\*\*\*\* Five institutions under the same holding company received assistance under a systemic risk determination.

## Quarterly Banking Profile

**Table III-B. Estimated FDIC-Insured Deposits by Type of Institution**

| <i>(dollar figures in millions)</i><br>December 31, 2008         | Number of<br>Institutions | Total<br>Assets   | Domestic<br>Deposits* | Est. Insured<br>Deposits |
|--|---------------------------|-------------------|-----------------------|--------------------------|
| <b>Commercial Banks and Savings Institutions</b>                 |                           |                   |                       |                          |
| FDIC-Insured Commercial Banks .....                              | 7,085                     | \$12,318,680      | \$6,543,006           | \$3,991,272              |
| FDIC-Supervised .....  | 4,688                     | 1,980,516         | 1,450,752             | 1,042,015                |
| OCC-Supervised .....   | 1,537                     | 8,482,719         | 4,100,230             | 2,373,439                |
| Federal Reserve-Supervised .....                                 | 860                       | 1,855,444         | 992,024               | 575,819                  |
| FDIC-Insured Savings Institutions .....                          | 1,220                     | 1,534,552         | 953,357               | 764,049                  |
| OTS-Supervised Savings Institutions .....                        | 810                       | 1,232,048         | 745,019               | 598,722                  |
| FDIC-Supervised State Savings Banks .....                        | 410                       | 302,503           | 208,339               | 165,327                  |
| <b>Total Commercial Banks and<br/>Savings Institutions .....</b> | <b>8,305</b>              | <b>13,853,231</b> | <b>7,496,363</b>      | <b>4,755,321</b>         |
| <b>Other FDIC-Insured Institutions</b>                           |                           |                   |                       |                          |
| U.S. Branches of Foreign Banks .....                             | 10                        | 52,727            | 8,991                 | 4,674                    |
| <b>Total FDIC-Insured Institutions .....</b>                     | <b>8,315</b>              | <b>13,905,959</b> | <b>7,505,354</b>      | <b>4,759,995</b>         |

\* Excludes \$1.54 trillion in foreign office deposits, which are uninsured.

**Table IV-B. Distribution of Institutions and Domestic Deposits Among Risk Categories**

Quarter Ending September 30, 2008

| <i>(dollar figures in billions)</i><br><b>Risk Category</b> | Annual Rate<br>in Basis<br>Points | Number of<br>Institutions | Percent of Total<br>Institutions | Domestic<br>Deposits | Percent of Total<br>Domestic<br>Deposits |
|---|-----------------------------------|---------------------------|----------------------------------|----------------------|--|
| I - Minimum .....   | 5                                 | 1,799                     | 21.4                             | 2,959                | 40.9                                     |
| I - Middle .....  | 5.01- 6.00                        | 2,357                     | 28.1                             | 2,009                | 27.8                                     |
| I - Middle.....   | 6.01- 6.99                        | 1,589                     | 18.9                             | 699                  | 9.7                                      |
| I - Maximum .....   | 7                                 | 1,767                     | 21.1                             | 641                  | 8.9                                      |
| II .....  | 10                                | 674                       | 8.0                              | 820                  | 11.3                                     |
| III .....   | 28                                | 186                       | 2.2                              | 84                   | 1.2                                      |
| IV .....  | 43                                | 21                        | 0.3                              | 19                   | 0.3                                      |

Note: Institutions are categorized based on supervisory ratings, debt ratings and financial data as of September 30, 2008.

Rates do not reflect the application of assessment credits. See notes to users for further information on risk categories and rates.

## TEMPORARY LIQUIDITY GUARANTEE PROGRAM

- *Non-Interest-Bearing Transaction Accounts Can Be Fully Guaranteed*
- *FDIC Debt Guarantees Improve Access to Liquidity*
- *The TLGP Is an Industry Funded Program*
- *More Than 500,000 Additional Transaction Accounts Receive Full Coverage*
- *\$224 Billion in Debt Outstanding in Program*

### **FDIC Responds to Market Disruptions with TLGP**

The FDIC Board approved the Temporary Liquidity Guarantee Program (TLGP)<sup>1</sup> on October 13, 2008, as major disruptions in credit markets blocked access to liquidity for financial institutions. The TLGP improves access to liquidity by fully guaranteeing non-interest-bearing transaction deposit accounts and by guaranteeing eligible senior unsecured debt. The final rule for the TLGP was adopted on November 21, 2008.

### **Non-Interest-Bearing Transaction Accounts at Participating Institutions Are Fully Guaranteed**

The Transaction Account Guarantee Program provides a full guarantee of non-interest-bearing transaction deposit accounts above \$250,000, regardless of dollar amount, at depository institutions that elected to participate in the program. The guarantee is in effect until December 31, 2009. Accounts covered by the guarantee also include NOW accounts where interest rates are maintained at 0.5 percent or less and IOLTA<sup>2</sup> accounts.

### **FDIC Offers Guarantees on Senior Unsecured Debt**

The Debt Guarantee Program provides a full guarantee of senior unsecured debt issued by eligible institutions between October 14, 2008, and June 30, 2009, with the guarantee expiring on or before June 30, 2012. Senior unsecured debt must have a stated maturity of more than 30 days and may include term Federal funds purchased, promissory notes, commercial paper, unsubordinated unsecured notes, and U.S. dollar denominated certificates of deposit owed to an insured depository institution. Institutions eligible for participation in the Debt Guarantee Program include insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of an insured depository institution that the FDIC designates as eligible entities.

### **Program Funded by Industry Fees and Assessments**

The TLGP does not rely on taxpayer funding or the Deposit Insurance Fund. Both components of the program will be paid for by direct user fees. Institutions participating in the Transaction Account Guarantee Program provide customers full coverage on non-interest-bearing transaction accounts for an annual fee of 10 basis points. Fees for participation in the Debt Guarantee Program depend on the maturity of debt issued. The cost of the guarantee to insured depository institutions is 50 basis points for maturities of 180 days or less, 75 basis points for maturities of 181 days to 364 days, and 100 basis points for maturities 365 days or greater. Bank holding companies and participating affiliates are required to pay an additional 10 basis points if, as of September 30, 2008, the combined assets of all insured

---

<sup>1</sup> The FDIC invoked the systemic risk exception pursuant to section 141 of the Federal Deposit Improvement Act of 1991, 12 U.S.C 1823(c)(4) on October 13, 2008. For further information on the TLGP, see <http://www.fdic.gov/regulations/resources/TLGP/index.html>.

<sup>2</sup> NOW accounts are Negotiable Order of Withdrawal Accounts, and IOLTA, or Interest on Lawyers Trust Accounts, are interest-bearing accounts maintained by an attorney or law firm for its clients.

depository institutions affiliated with such entity constitute less than 50 percent of consolidated holding company assets.

## **A Majority of Eligible Entities Have Chosen to Participate in the TLGP**

According to submissions received by the FDIC, more than 85 percent of FDIC-insured institutions have opted in to the Transaction Account Guarantee Program, and more than half of all eligible entities have elected to opt in to the Debt Guarantee Program. Lists of institutions that opted out of the guarantee programs are posted at <http://www.fdic.gov/regulations/resources/TLGP/optout.html>.

## **Insured Institutions Report Half a Million Transaction Accounts over \$250,000**

According to fourth quarter Call Reports, insured institutions reported 522,862 non-interest-bearing transaction accounts over \$250,000. These accounts totaled \$814 billion, of which \$684 billion in deposit accounts was guaranteed under the Transaction Account Guarantee Program. Almost 6,000 FDIC-insured institutions reported non-interest-bearing transaction accounts over \$250,000 in value.

## **Limits on Debt Issuance Based on Third Quarter 2008 Balances**

The amount of FDIC-guaranteed debt that can be issued by each eligible entity, or its “cap,” is based on the amount of senior unsecured debt outstanding as of September 30, 2008, that matures on or before June 30, 2009. Eligible entities may issue debt up to 125 percent of that outstanding amount. The cap for FDIC-insured institutions that had no outstanding short-term senior unsecured debt other than Fed funds is set at 2 percent of liabilities as of September 30, 2008. Holding companies with no short-term senior unsecured debt outstanding must apply to the FDIC to raise the limit on their issuance of FDIC-guaranteed debt above \$0. Initial caps for all 8,191 entities that could exercise their option to issue guaranteed debt under the TLGP total almost \$1.0 trillion.

## **\$224 Billion in FDIC-Guaranteed Debt Was Outstanding at Year-End**

Sixty-four financial entities—39 insured depository institutions and 25 bank and thrift holding companies and nonbank affiliates—had \$224 billion in guaranteed debt outstanding at year-end. Some banking groups issued FDIC-guaranteed debt at both the subsidiary and holding company level, but most guaranteed debt was issued by holding companies or nonbank affiliates of depository institutions. Bank and thrift holding companies and nonbank affiliates issued 86 percent of FDIC-guaranteed debt outstanding at year-end. Short-term commercial paper and medium-term notes represented 86 percent of outstanding debt instruments, in almost equal shares. Almost one-half of guaranteed debt outstanding as of December 31, 2008, matures in 180 days or less, and one-fourth matures between two and three years of issuance.

## Quarterly Banking Profile

**Table I-C. Participation in Temporary Liquidity Guarantee Program**

| December 31, 2008  | Total Eligible Entities | Number Opting In | Percent Opting In |
|--|-------------------------|------------------|-------------------|
| <b>Transaction Account Guarantee Program</b>                       |                         |                  |                   |
| Depository Institutions with Assets <= \$10 Billion .....          | 8,203                   | 7,101            | 86.6%             |
| Depository Institutions with Assets > \$10 Billion .....           | 112                     | 106              | 94.6%             |
| Total Depository Institutions * .....                              | 8,315                   | 7,207            | 86.7%             |
| <b>Debt Guarantee Program</b>                                      |                         |                  |                   |
| Depository Institutions with Assets <= \$10 Billion .....          | 8,203                   | 4,457            | 54.3%             |
| Depository Institutions with Assets > \$10 Billion .....           | 112                     | 104              | 92.9%             |
| Total Depository Institutions * .....                              | 8,315                   | 4,561            | 54.9%             |
| Bank and Thrift Holding Companies and Non-Insured Affiliates ..... | 6,403                   | 3,630            | 56.7%             |
| All Entities .....   | 14,718                  | 8,191            | 55.7%             |

\* Depository institutions include insured branches of foreign banks (IBAs)

**Table II-C. Cap on FDIC-Guaranteed Debt for Opt-In Entities**

| December 31, 2008<br>(dollar figures in millions)               | Opt-In Entities with Senior Unsecured Debt Outstanding at 9/30/2008 |                             |             | Opt-In Depository Institutions with no Senior Unsecured Debt at 9/30/2008 |                                | Total Entities | Total Initial Cap |
|---|---|-----------------------------|-------------|---|--------------------------------|----------------|-------------------|
|   | Number  | Debt Amount as of 9/30/2008 | Initial Cap | Number  | 2% Liabilities as of 9/30/2008 |                |                   |
| Depository Institutions with Assets <= \$10 Billion * .....     | 124   | \$2,812                     | \$3,514     | 4,333   | \$34,863                       | 4,457          | \$38,377          |
| Depository Institutions with Assets > \$10 Billion * .....      | 45  | 298,587                     | 373,233     | 59  | 30,320                         | 104            | 403,554           |
| Bank and Thrift Holding Companies, Non-Insured Affiliates ..... | 90  | 398,092                     | 497,616     | 3,540   | N/A                            | 3,630          | 497,616           |
| <b>Total</b> .....  | 259   | 699,490                     | 874,363     | 7,932   | 65,183                         | 8,191          | 939,546           |

\* Depository institutions include insured branches of foreign banks (IBAs)

N/A - Not applicable

**Table III-C. Transaction Account Guarantee Program**

| (dollar figures in millions)   | December 31, 2008 |
|--|-------------------|
| Number of Non-Interest-Bearing Transaction Accounts over \$250,000 ..... | 522,862           |
| Amount in Non-Interest-Bearing Transaction Accounts over \$250,000 ..... | \$814,437         |
| Amount Guaranteed .....  | \$683,722         |

## Quarterly Banking Profile

**Table IV-C. Debt Issuance under Guarantee Program**

| December 31, 2008<br>(dollar figures in millions)                  | Number | Debt<br>Outstanding | Cap     | Debt<br>Outstanding<br>Share of Cap |
|--|--------|---------------------|---------|-------------------------------------|
| <b>Insured Depository Institutions</b>                             |        |                     |         |                                     |
| Assets <= \$10 Billion .....                                       | 18     | \$45                | \$984   | 4.5%                                |
| Assets > \$10 Billion .....  | 21     | 31,276              | 303,031 | 10.3%                               |
| Bank and Thrift Holding Companies,<br>Non-Insured Affiliates ..... | 25     | 192,928             | 466,398 | 41.4%                               |
| <b>All Issuers</b> .....   | 64     | 224,249             | 770,413 | 29.1%                               |

**Table V-C. Fees Collected under TLGP Debt Program**

| (dollar figures in millions) | 4th Quarter<br>2008 |
|------------------------------|---------------------|
| Total Fees Collected .....   | 3,437               |

**Table VI-C. Term at Issuance of Debt Instruments Outstanding**

| December 31, 2008<br>(dollar figures in millions) | Commercial<br>Paper | Interbank<br>Eurodollar<br>Deposits | Medium<br>Term<br>Notes | Other<br>Interbank<br>Deposits | Other Senior<br>Unsecured<br>Debt | Other<br>Term<br>Notes | All Debt | <i>Share by<br/>Term</i> |
|---|---------------------|-------------------------------------|-------------------------|--------------------------------|-----------------------------------|------------------------|----------|--------------------------|
| <b>Term at Issuance</b>                           |                     |                                     |                         |                                |                                   |                        |          |                          |
| 90 days or less .....                             | \$56,678            | \$281                               | \$0                     | \$448                          | \$1,330                           | \$3,208                | \$61,944 | 27.6%                    |
| 91 - 180 days .....                               | 36,917              | 1,209                               | 0                       | 5,441                          | 10                                | 4,912                  | 48,489   | 21.6%                    |
| 181 - 364 days .....                              | 1,725               | 11                                  | 1,100                   | 17                             | 0                                 | 2,413                  | 5,266    | 2.3%                     |
| 1 - 2 years .....                                 | 0                   | 1                                   | 19,800                  | 17                             | 0                                 | 770                    | 20,588   | 9.2%                     |
| Over 2 - 3 years .....                            | 0                   | 0                                   | 47,023                  | 0                              | 3,225                             | 5,665                  | 55,912   | 24.9%                    |
| Over 3 years .....                                | 0                   | 0                                   | 29,606                  | 4                              | 2,350                             | 90                     | 32,050   | 14.3%                    |
| Total .....                                       | 95,320              | 1,502                               | 97,528                  | 5,927                          | 6,915                             | 17,057                 | 224,249  |                          |
| <i>Share of Total</i> .....                       | 42.5%               | 0.7%                                | 43.5%                   | 2.6%                           | 3.1%                              | 7.6%                   |          |                          |

## Notes To Users

This publication contains financial data and other information for depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). These notes are an integral part of this publication and provide information regarding the comparability of source data and reporting differences over time.

### Tables I-A through VIII-A.

The information presented in Tables I-A through V-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured institutions, both commercial banks and savings institutions. Tables VI-A (Derivatives) and VII-A (Servicing, Securitization, and Asset Sales Activities) aggregate information only for insured commercial banks and state-chartered savings banks that file quarterly Call Reports. Table VIII-A (Trust Services) aggregates Trust asset and income information collected annually from all FDIC-insured institutions. Some tables are arrayed by groups of FDIC-insured institutions based on predominant types of asset concentration, while other tables aggregate institutions by asset size and geographic region. Quarterly and full-year data are provided for selected indicators, including aggregate condition and income data, performance ratios, condition ratios, and structural changes, as well as past due, noncurrent, and charge-off information for loans outstanding and other assets.

### Tables I-B through IV-B.

A separate set of tables (Tables I-B through IV-B) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed/assisted institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository institutions that are not insured by the FDIC through the DIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charters.

### DATA SOURCES

The financial information appearing in this publication is obtained primarily from the Federal Financial Institutions Examination Council (FFIEC) *Call Reports* and the OTS *Thrift Financial Reports* submitted by all FDIC-insured depository institutions. This information is stored on and retrieved from the FDIC's Research Information System (RIS) data base.

### COMPUTATION METHODOLOGY

Parent institutions are required to file consolidated reports, while their subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data. Additionally, certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*.

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates

represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state. In addition, institutions may relocate across state lines or change their charters, resulting in an inter-regional or inter-industry migration, e.g., institutions can move their home offices between regions, and savings institutions can convert to commercial banks or commercial banks may convert to savings institutions.

### ACCOUNTING CHANGES

**FASB Statement No. 157 *Fair Value Measurements* issued in September 2006 and FASB Statement No. 159 *The Fair Value Option for Financial Assets and Financial Liabilities* issued in February 2007** – both are effective in 2008 with early adoption permitted in 2007. FAS 157 clarifies fair value and establishes a framework for developing fair value estimates for the fair value measurements that are already required or permitted under other standards. Fair value continues to be used for derivatives, trading securities, and available-for-sale securities. Changes in fair value go through earnings for the derivatives and trading securities. Changes in the fair value of available-for-sale securities are reported in other comprehensive income. Available-for-sale securities and held-to-maturity debt securities are written down to fair value through earnings if impairment is other than temporary and mortgage loans held for sale are reported at the lower of cost or fair value. Loans held for investment are also subject to impairment but are written down based on the present value of discounted cash flows. FAS 159 allows banks to elect a fair value option when assets are recognized on the balance sheet and to report certain financial assets and liabilities at fair value with subsequent changes in fair value included in earnings. Existing eligible items can be fair-valued as early as January 2007 under FAS 159, if a bank adopts FAS 157.

**FASB Statement No. 158 *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*** – issued in September 2006 requires a bank to recognize in 2007, and subsequently, the funded status of its postretirement plans on its balance sheet. An overfunded plan is recognized as an asset and an underfunded plan is recognized as a liability. An adjustment is made to equity as accumulated other comprehensive income (AOCI) upon application of FAS 158, and AOCI is adjusted in subsequent periods as net periodic benefit costs are recognized in earnings.

**FASB Statement No. 156 *Accounting for Servicing of Financial Assets*** – issued in March 2006 and effective in 2007, requires all separately recognized servicing assets and liabilities to be initially measured at fair value and allows a bank the option to subsequently adjust that value by periodic revaluation and recognition of earnings or by periodic amortization to earnings.

**FASB Statement No. 155 *Accounting for Certain Hybrid Financial Instruments*** – issued in February 2006, requires bifurcation of certain derivatives embedded in interests in securitized financial assets and permits fair value measurement (i.e., a fair value option) for any hybrid financial instrument that contains an embedded derivative that would otherwise require bifurcation under FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* (FAS 133). In addition, FAS 155 clarifies which interest-only and principal-only strips are not subject to FAS 133.

**Purchased Impaired Loans and Debt Securities** – Statement of Position 03-3, *Accounting for Certain Loans or Debt Securities Acquired*

in a Transfer. The SOP applies to loans and debt securities acquired in fiscal years beginning after December 15, 2004. In general, this Statement of Position applies to “purchased impaired loans and debt securities” (i.e., loans and debt securities that a bank has purchased, including those acquired in a purchase business combination, when it is probable, at the purchase date, that the bank will be unable to collect all contractually required payments receivable). Banks must follow Statement of Position 03-3 for Call Report purposes. The SOP does not apply to the loans that a bank has originated, prohibits “carrying over” or creation of valuation allowances in the initial accounting, and any subsequent valuation allowances reflect only those losses incurred by the investor after acquisition.

**GNMA Buy-back Option** – If an issuer of GNMA securities has the option to buy back the loans that collateralize the GNMA securities, when certain delinquency criteria are met, FASB Statement No. 140 requires that loans with this buy-back option must be brought back on the issuer's books as assets. The rebooking of GNMA loans is required regardless of whether the issuer intends to exercise the buy-back option. The banking agencies clarified in May 2005 that all GNMA loans that are rebooked because of delinquency should be reported as past due according to their contractual terms.

**FASB Interpretation No. 46** – The FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, in January 2003 and revised it in December 2003. Generally, banks with variable interests in variable interest entities created after December 31, 2003, must consolidate them. The timing of consolidation varies with certain situations with application as late as 2005. The assets and liabilities of a consolidated variable interest entity are reported on a line-by-line basis according to the asset and liability categories shown on the bank's balance sheet, as well as related income items. Most small banks are unlikely to have any “variable interests” in variable interest entities.

**FASB Interpretation No. 48 on Uncertain Tax Positions** – FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), was issued in June 2006 as an interpretation of FASB Statement No. 109, *Accounting for Income Taxes*. Under FIN 48, the term “tax position” refers to “a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities.” FIN 48 further states that a “tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years, or a change in the expected realizability of deferred tax assets.” FIN 48 was originally issued effective for fiscal years beginning after December 15, 2006. Banks must adopt FIN 48 for Call Report purposes in accordance with the interpretation's effective date except as follows. On December 31, 2008, the FASB decided to defer the effective date of FIN 48 for eligible nonpublic enterprises and to require those enterprises to adopt FIN 48 for annual periods beginning after December 15, 2008. A nonpublic enterprise under certain conditions is eligible for deferral, even if it opted to issue interim or quarterly financial information in 2007 under earlier guidance that reflected the adoption of FIN 48.

**FASB Statement No. 123 (Revised 2004) and Share-Based Payments** – requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments (e.g., stock options and restricted stock, granted to employees). As of January 2006 all banks must adopt FAS 123(R). The compensation cost is typically recognized over the vesting period with a corresponding credit to equity. The recording of the compensation cost also gives rise to a deferred tax asset.

## **FASB Statement No. 133 Accounting for Derivative Instruments and Hedging Activities**

– All banks must recognize derivatives as either assets or liabilities on the balance sheet, measured at fair value. A derivative may be specifically designated as a “fair value hedge,” a “cash flow hedge,” or a hedge of a foreign currency exposure. The accounting for changes in the value of a derivative (gains and losses) depends on the intended use of the derivative, its resulting designation, and the effectiveness of the hedge. Derivatives held for purposes other than trading are reported as “other assets” (positive fair values) or “other liabilities” (negative fair values). For a fair value hedge, the gain or loss is recognized in earnings and “effectively” offsets loss or gain on the hedged item attributable to the risk being hedged. Any ineffectiveness of the hedge could result in a net gain or loss on the income statement. Accumulated net gains (losses) on cash flow hedges are recorded on the balance sheet as “accumulated other comprehensive income” and the periodic change in the accumulated net gains (losses) for cash flow hedges is reflected directly in equity as the value of the derivative changes. FASB Statement No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities provides guidance on the circumstances in which a loan commitment must be accounted for as derivative. Under Statement No. 149, loan commitments that relate to the origination of mortgage loans that will be held for sale, commonly referred to as interest rate lock commitments, must be accounted for as derivatives on the balance sheet by the issuer of the commitment.

## **DEFINITIONS (in alphabetical order)**

**All other assets** – total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, fair market value of derivatives, and other assets.

**All other liabilities** – bank's liability on acceptances, limited-life preferred stock, allowance for estimated off-balance-sheet credit losses, fair market value of derivatives, and other liabilities.

**Assessment base** – assessable deposits consist of DIF deposits (deposits insured by the FDIC Deposit Insurance Fund) in banks' domestic offices with certain adjustments.

**Assets securitized and sold** – total outstanding principal balance of assets securitized and sold with servicing retained or other seller-provided credit enhancements.

**Capital Purchase Program (CPP)** – As announced in October 2008 under the TARP, the Treasury Department purchase of noncumulative perpetual preferred stock and related warrants that is treated as Tier 1 capital for regulatory capital purposes is included in “Total equity capital.” Such warrants to purchase common stock or noncumulative preferred stock issued by publicly-traded banks are reflected as well in “Surplus”. Warrants to purchase common stock or noncumulative preferred stock of not-publicly-traded bank stock classified in a bank's balance sheet as “Other liabilities”.

**Construction and development loans** – includes loans for all property types under construction, as well as loans for land acquisition and development.

**Core capital** – common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries, less goodwill and other ineligible intangible assets. The amount of eligible intangibles (including servicing rights) included in core capital is limited in accordance with supervisory capital regulations.

**Cost of funding earning assets** – total interest expense paid on deposits and other borrowed money as a percentage of average earning assets.

**Credit enhancements** – techniques whereby a company attempts to reduce the credit risk of its obligations. Credit enhancement may be provided by a third party (external credit enhancement) or by the originator (internal credit enhancement), and more than one type of enhancement may be associated with a given issuance.

**Deposit Insurance Fund (DIF)** – The Bank (BIF) and Savings Association (SAIF) Insurance Funds were merged in 2006 by the Federal Deposit Insurance Reform Act to form the DIF.

**Derivatives notional amount** – The notional, or contractual, amounts of derivatives represent the level of involvement in the types of derivatives transactions and are not a quantification of market risk or credit risk. Notional amounts represent the amounts used to calculate contractual cash flows to be exchanged.

**Derivatives credit equivalent amount** – the fair value of the derivative plus an additional amount for potential future credit exposure based on the notional amount, the remaining maturity and type of the contract.

**Derivatives transaction types:**

**Futures and forward contracts** – contracts in which the buyer agrees to purchase and the seller agrees to sell, at a specified future date, a specific quantity of an underlying variable or index at a specified price or yield. These contracts exist for a variety of variables or indices, (traditional agricultural or physical commodities, as well as currencies and interest rates). Futures contracts are standardized and are traded on organized exchanges which set limits on counterparty credit exposure. Forward contracts do not have standardized terms and are traded over the counter.

**Option contracts** – contracts in which the buyer acquires the right to buy from or sell to another party some specified amount of an underlying variable or index at a stated price (strike price) during a period or on a specified future date, in return for compensation (such as a fee or premium). The seller is obligated to purchase or sell the variable or index at the discretion of the buyer of the contract.

**Swaps** – obligations between two parties to exchange a series of cash flows at periodic intervals (settlement dates), for a specified period. The cash flows of a swap are either fixed, or determined for each settlement date by multiplying the quantity (notional principal) of the underlying variable or index by specified reference rates or prices. Except for currency swaps, the notional principal is used to calculate each payment but is not exchanged.

**Derivatives underlying risk exposure** – the potential exposure characterized by the level of banks' concentration in particular underlying instruments, in general. Exposure can result from market risk, credit risk, and operational risk, as well as, interest rate risk.

**Domestic deposits to total assets** – total domestic office deposits as a percent of total assets on a consolidated basis.

**Earning assets** – all loans and other investments that earn interest or dividend income.

**Efficiency ratio** – Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income. This ratio measures the proportion of net operating revenues that are absorbed by overhead expenses, so that a lower value indicates greater efficiency.

**Estimated insured deposits** – in general, insured deposits are total domestic deposits minus estimated uninsured deposits. Beginning

March 31, 2008, for institutions that file Call reports, insured deposits are total assessable deposits minus estimated uninsured deposits.

**Failed/assisted institutions** – an institution fails when regulators take control of the institution, placing the assets and liabilities into a bridge bank, conservatorship, receivership, or another healthy institution. This action may require the FDIC to provide funds to cover losses. An institution is defined as "assisted" when the institution remains open and receives some insurance funds in order to continue operating.

**FHLB advances** – all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB), as reported by Call Report filers and by TFR filers.

**Goodwill and other intangibles** – intangible assets include servicing rights, purchased credit card relationships, and other identifiable intangible assets. Goodwill is the excess of the purchase price over the fair market value of the net assets acquired, less subsequent impairment adjustments. Other intangible assets are recorded at fair value, less subsequent quarterly amortization and impairment adjustments.

**Loans secured by real estate** – includes home equity loans, junior liens secured by 1-4 family residential properties, and all other loans secured by real estate.

**Loans to individuals** – includes outstanding credit card balances and other secured and unsecured consumer loans.

**Long-term assets (5+ years)** – loans and debt securities with remaining maturities or repricing intervals of over five years.

**Maximum credit exposure** – the maximum contractual credit exposure remaining under recourse arrangements and other seller-provided credit enhancements provided by the reporting bank to securitizations.

**Mortgage-backed securities** – certificates of participation in pools of residential mortgages and collateralized mortgage obligations issued or guaranteed by government-sponsored or private enterprises. Also, see "Securities," below.

**Net charge-offs** – total loans and leases charged off (removed from balance sheet because of uncollectibility), less amounts recovered on loans and leases previously charged off.

**Net interest margin** – the difference between interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average earning assets. No adjustments are made for interest income that is tax exempt.

**Net loans to total assets** – loans and lease financing receivables, net of unearned income, allowance and reserves, as a percent of total assets on a consolidated basis.

**Net operating income** – income excluding discretionary transactions such as gains (or losses) on the sale of investment securities and extraordinary items. Income taxes subtracted from operating income have been adjusted to exclude the portion applicable to securities gains (or losses).

**Noncurrent assets** – the sum of loans, leases, debt securities, and other assets that are 90 days or more past due, or in nonaccrual status.

**Noncurrent loans & leases** – the sum of loans and leases 90 days or more past due, and loans and leases in nonaccrual status.

**Number of institutions reporting** – the number of institutions that actually filed a financial report.

**Other borrowed funds** – federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, FHLB advances, other borrowed money, mortgage

indebtedness, obligations under capitalized leases and trading liabilities, less revaluation losses on assets held in trading accounts.

**Other real estate owned** – primarily foreclosed property. Direct and indirect investments in real estate ventures are excluded. The amount is reflected net of valuation allowances. For institutions that file a Thrift Financial Report (TFR), the valuation allowance subtracted also includes allowances for other repossessed assets. Also, for TFR filers the components of other real estate owned are reported gross of valuation allowances.

**Percent of institutions with earnings gains** – the percent of institutions that increased their net income (or decreased their losses) compared to the same period a year earlier.

**“Problem” institutions** – federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. “Problem” institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a “4” or “5.” The number and assets of “problem” institutions are based on FDIC composite ratings. Prior to March 31, 2008, for institutions whose primary federal regulator was the OTS, the OTS composite rating was used.

**Recourse** – an arrangement in which a bank retains, in form or in substance, any credit risk directly or indirectly associated with an asset it has sold (in accordance with generally accepted accounting principles) that exceeds a pro rata share of the bank’s claim on the asset. If a bank has no claim on an asset it has sold, then the retention of any credit risk is recourse.

**Reserves for losses** – the allowance for loan and lease losses on a consolidated basis.

**Restructured loans and leases** – loan and lease financing receivables with terms restructured from the original contract. Excludes restructured loans and leases that are not in compliance with the modified terms.

**Retained earnings** – net income less cash dividends on common and preferred stock for the reporting period.

**Return on assets** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total assets. The basic yardstick of bank profitability.

**Return on equity** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

**Risk-based capital groups** – definition:

| (Percent)                      | Total Risk-Based Capital * |     | Tier 1 Risk-Based Capital * |     | Tier 1 Leverage |     | Tangible Equity |
|--------------------------------|----------------------------|-----|-----------------------------|-----|-----------------|-----|-----------------|
| Well-capitalized               | ≥10                        | and | ≥6                          | and | ≥5              |     | –               |
| Adequately capitalized         | ≥8                         | and | ≥4                          | and | ≥4              |     | –               |
| Undercapitalized               | ≥6                         | and | ≥3                          | and | ≥3              |     | –               |
| Significantly undercapitalized | <6                         | or  | <3                          | or  | <3              | and | >2              |
| Critically undercapitalized    | –                          |     | –                           |     | –               |     | ≤2              |

\*As a percentage of risk-weighted assets.

**Risk Categories and Assessment Rate Schedule** – The current risk categories and assessment rate schedule became effective January 1, 2007. Capital ratios and supervisory ratings distinguish one risk category from another. The following table shows the relationship of risk categories (I, II, III, IV) to capital and supervisory groups as well

as the assessment rates (in basis points) for each risk category. Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

| Capital Group             | Supervisory Group |              |               |
|---------------------------|-------------------|--------------|---------------|
|                           | A                 | B            | C             |
| 1. Well Capitalized       | I<br>5-7 bps      | II<br>10 bps | III<br>28 bps |
| 2. Adequately Capitalized |                   |              |               |
| 3. Undercapitalized       | III<br>28 bps     |              | IV<br>43 bps  |

Assessment rates are 3 basis points above the base rate schedule. The FDIC may adjust rates up or down by 3 basis points from the base rate schedule without notice and comment, provided that any single adjustment from one quarter to the next cannot move rates more than 3 basis points.

For most institutions in Risk Category I, the assessment rate assigned will be based on a combination of financial ratios and CAMELS component ratings.

For large institutions in Risk Category I (generally those with at least \$10 billion in assets) that have long-term debt issuer ratings, assessment rates will be determined by weighting CAMELS component ratings 50 percent and long-term debt issuer ratings 50 percent. For all large Risk Category I institutions, additional risk factors will be considered to determine whether assessment rates should be adjusted. This additional information includes market data, financial performance measures, considerations of the ability of an institution to withstand financial stress, and loss severity indicators. Any adjustment will be limited to no more than ½ basis point.

Beginning in 2007, each institution is assigned a risk-based rate for a quarterly assessment period near the end of the quarter following the assessment period. Payment will generally be due on the 30th day of the last month of the quarter following the assessment period. Supervisory rating changes will be effective for assessment purposes as of the examination transmittal date. For institutions with long-term debt issuer ratings, changes in ratings will be effective for assessment purposes as of the date the change was announced.

**Risk-weighted assets** – assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk-weights that range from zero to 200 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.

**Securities** – excludes securities held in trading accounts. Banks’ securities portfolios consist of securities designated as “held-to-maturity,” which are reported at amortized cost (book value), and securities designated as “available-for-sale,” reported at fair (market) value.

**Securities gains (losses)** – realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. Thrift Financial Report (TFR) filers also include gains (losses) on the sales of assets held for sale.

**Seller's interest in institution's own securitizations** – the reporting bank's ownership interest in loans and other assets that have been securitized, except an interest that is a form of recourse or other seller-provided credit enhancement. Seller's interests differ from the securities issued to investors by the securitization structure. The principal amount of a seller's interest is generally equal to the total principal amount of the pool of assets included in the securitization structure less the principal amount of those assets attributable to investors, i.e., in the form of securities issued to investors.

**Subchapter S Corporation** – a Subchapter S corporation is treated as a pass-through entity, similar to a partnership, for federal income tax purposes. It is generally not subject to any federal income taxes at the corporate level. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

**The Temporary Liquidity Guarantee Program (TLGP)** was approved by the FDIC Board on October 13, 2008. The TLGP was designed to help relieve the crisis in the credit markets by giving banks access to liquidity during a time of global financial distress. Participation in the TLGP is voluntary. The TLGP has two components:

**The Transaction Account Guarantee Program** provides a full guarantee of non-interest-bearing deposit transaction accounts above \$250,000, at depository institutions that elected to participate in the program. The guarantee is in effect until December 31, 2009.

**The Debt Guarantee Program** provides a full guarantee of senior unsecured debt<sup>1</sup> issued by eligible institutions between October 14, 2008, and June 30, 2009, and maturing on or before June 30, 2012. Institutions eligible for participation in the debt guarantee program include insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of an insured depository institution that the FDIC designates as eligible entities.

**Trust assets** – market value, or other reasonably available value of fiduciary and related assets, to include marketable securities, and other financial and physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods. Such fiduciary assets are not included in the assets of the financial institution.

**Unearned income & contra accounts** – unearned income for Call Report filers only.

**Unused loan commitments** – includes credit card lines, home equity lines, commitments to make loans for construction, loans secured by commercial real estate, and unused commitments to originate or purchase loans. (Excluded are commitments after June 2003 for originated mortgage loans held for sale, which are accounted for as derivatives on the balance sheet.)

**Volatile liabilities** – the sum of large-denomination time deposits, foreign-office deposits, federal funds purchased, securities sold under agreements to repurchase, and other borrowings.

**Yield on earning assets** – total interest, dividend, and fee income earned on loans and investments as a percentage of average earning assets.

---

<sup>1</sup> Senior unsecured debt generally includes term Federal funds purchased, promissory notes, commercial paper, unsubordinated unsecured notes, certificates of deposit (CDs) standing to the credit of a bank, and U.S. dollar denominated bank deposits owed to an insured depository institution.